

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,	:	
	:	
Plaintiff,	:	
	:	
v.	:	CASE NO. 06-725 (JP)
	:	
	:	
PAYMENT PROCESSING CENTER,	:	
LLC, DONALD M. HELLINGER,	:	
MICHAEL WEISBERG, RANDY	:	
D. TROST, JAMI M. PEARLMAN,	:	
MICHELLE O'KEEFE QUIGLEY,	:	
RONALD HELLINGER, and ROBERT	:	
DEBOYACE,	:	
	:	
Defendants.	:	

EXHIBITS TO AMENDED VERIFIED COMPLAINT FOR INJUNCTIVE RELIEF

PATRICK L. MEEHAN
United States Attorney

VIRGINIA A. GIBSON
Assistant United States Attorney
Chief, Civil Division

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Assistant United States Attorney

MARK ANDERSON
Assistant United States Attorney

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Philadelphia, PA 19106
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Fax. 215-861-8349

EXHIBIT A

Payment Processing Center
1-866-223-8711

SOVEREIGN BANK
PHILADELPHIA, PA 19103
60-7269/2313

Check #: 402362

Date: 10/27/05

** 89.00 **

Pay to the order of: GGIS

Eighty Nine Dollars and No Cents *****

GLADYS

PHILADELPHIA, PA 19150
For Customer Service Call (877) 680-7053

10272003-3762.cny

Authorized By Your Depositor
No Signature Required
Reference # 2265814

00000008900

40312097304
WACHOVIA NA SVT52 40371
PHILA, PA 19272005 25PX
00827723779

DO NOT WRITE, STAMP OR SIGN BELOW - RESERVE FOR FINANCIAL INSTITUTION USE

BORDERS ON THE FACE AND BACK CONTAIN MICRO PRINTING AND MAY BE SEEN
UNDER MAGNIFICATION - U.S.D.N. 508 - ORIGINAL DOCUMENT

2000018853548

For Deposit Only
Payment Processing Center

Item Amount	Item Serial	Item R/T	Item Account	Item Sequence	Item Group	Item Type
\$89.00						Transit

Wachovia Bank N.A certifies that the above image is a true and exact copy of
the original item issued by the named customer, and was produced from original
data stored in the archives of Wachovia National Bank or its predecessors.

THIS CHECK IS VOID WITHOUT THE GREEN BACK OR PUNY AND A WATER MARK OF THE BANK OF AMERICA

Payment Processing Center
1-866-223-8711

BANK OF AMERICA NA
RIDGEFIELD PARK, NJ 07660-2109
55-33712

Check #: 395336

Date: 10/27/05

Pay to the order of: **NATIONS 1ST MEMBERSHIP GROUP**

Two Hundred Ninety Nine Dollars and No Cents *****

MARY
ALLAMUCHY, NJ 07820
For Customer Service Call (888) 822-0022
10772005-3738.cny

Authorized By Your Depositor
No Signature Required
Reference # 2023778M

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

0000029900

For Deposit Only
Payment Processing Center
2000018853548

BORDERS ON THE FACE AND BACK CONTAIN MICRO-PRINTING AND MUST BE SEEN UNDER MAGNIFICATION - 120X MIN. - ORIGINAL DOCUMENT
DO NOT WRITE, STAMP OR SIGN BELOW - RESERVED FOR FUTURE INSTITUTION USE

00312007304
WACHOVIA NA 550752 03371
PHILA, PA 10272005 09PK
0827723789

Item Amount	Item Serial	Item R/T	Item Account	Item Sequence	Item Group	Item Type
\$299.00						Transit

Wachovia Bank N.A certifies that the above image is a true and exact copy of the original item issued by the named customer, and was produced from original data stored in the archives of Wachovia National Bank or its predecessors.

Payment Processing Center
1-866-223-8711

LA CAPITOL FCU
HAMMOND, LA 70403
84-7358/2654

Check #: 402360

Date: 10/27/05

•• 271.50 ••

Pay to the order of: FGU BENEFITS

Two Hundred Seventy One Dollars and Fifty Cents *****

CARRIE

BATON ROUGE, LA 70802
For Customer Service Call (888) 205-5783

10272005-3762.cxy

Authorized By Your Depositor
No Signature Required
Reference # 2235125

REGISTRATION HAS A COLLECTED BACKGROUND - NO SIGNATURE REQUIRED

0000027150

9312007304
WACHOVIA NA SVCT52 45371
PHILA PA 10272005 17EX
0027723782

DO NOT WRITE, STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

BORDERS ON THE FACE AND BACK CONTAIN MICRO PRINTING AND MUST BE SEEN
UNDER MAGNIFICATION - LOOK FOR - ORIGINAL DOCUMENT

For Deposit Only
Payment Processing Center
2000018853548

Item Amount	Item Serial	Item R/T	Item Account	Item Sequence	Item Group	Item Type
\$271.50						Transit

Wachovia Bank N.A certifies that the above image is a true and exact copy of the original item issued by the named customer, and was produced from original data stored in the archives of Wachovia National Bank or its predecessors.

Payment Processing Center
1-866-223-8711

BANK OF AMERICA NA
ENFIELD, CT 06082-2991
31-80311

Check #: 402363

Date: 10/27/05

•• 89.00 ••

Pay to the order of: GGIS

Eighty Nine Dollars and No Cents ••••••••

WALLACE

PANORAMA CITY, CA 91402
For Customer Service Call (877) 680-7053

10272005-3762.crv

Authorized By Your Depositor
No Signature Required
Reference # 7269526

⑈0000008900⑈

⑈0312007304⑈
WACHOVIA NA 031253 00371
PHILA, PA 19272945 09PK
0027723783

DO NOT WRITE, STAMP OR SIGN BELOW • RESERVE FOR FINANCIAL INSTITUTION USE

BONDERS ON THE FACE AND BACK CONTAIN MICRO-PRINTING AND MAY BE SEEN
UNDER MAGNIFICATION • LOOK FOR ORIGINAL DOCUMENT

2000018853548

For Deposit Only
Payment Processing Center

Item Amount	Item Serial	Item R/T	Item Account	Item Sequence	Item Group	Item Type
\$89.00						Transit

Wachovia Bank N.A certifies that the above image is a true and exact copy of
the original item issued by the named customer, and was produced from original
data stored in the archives of Wachovia National Bank or its predecessors.

EXHIBIT B

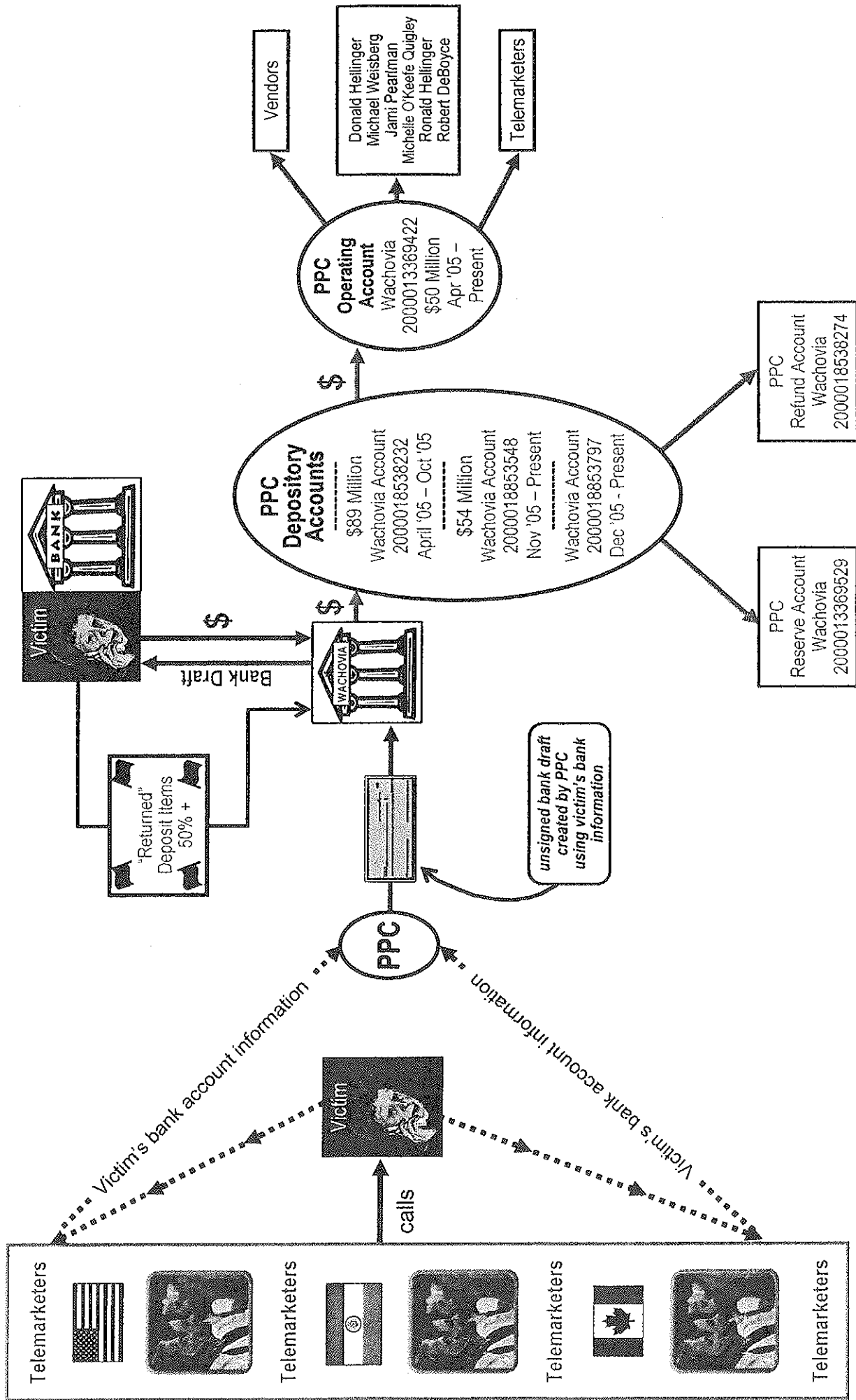


EXHIBIT C

Thursday July 28-05

To whom it may concern-

I got this call from a "medic" - of some sort about July 19- They kept saying it was a "medical benefit refund". Since I am on medicare I thought it was a refund on my account. Instead of that they took \$389 out of my account and threw me for a loop - as I asked several times about this being a medical refund. And they always said it would not cost me anything & I'd get \$389 added to my account - instead it was taken out.

I am reporting your business operations to the BBB also - as well as with my bank - I want my money back at once and you should have to pay the extra charges for this mess. The innocent always "get took" & your guys fly under the wire. They can put people on the moon but can't stop the "ganging telco marketing".

I demand my money back -

Sincerely -

A K



Thursday July 29-05

Dear BBB-

I am so thankful you folks are there for such as me.

I am sending a complaint of a gauging I got & want my money back. Why can't they stop these tele marketing & from taking people like me. I missed some good calls thinking it was those guys that get suckered into something like this.

I am sending copies of papers & letters, hopefully you can figure out what is going on -

The guy kept saying & I asked several times it was a Medical benefit of \$399 - to be added to my account.

Now they deny it but I wrote on my notes - they lie.

I pray you can help me get my money back -

Thank you for the help you can give me -

Love

A K.



Othello, WA 99344-9470

Thursday Aug 4 - 2005

Dear Sir - or whom ever I can contact.

I received your instructions & hopefully will answer the questions. I had put a "no call" on these marketers about a year ago & still get them. About July 20 I got one from Leanne at 1-866-864-8684 - no action till I look the information over & activate the card. Well, I called July 29 & cancelled out on that. Stewart Hunting & verification # 200 4890 - So happily I cancelled in time to stop this one. When they come at me with these health issues I am concerned - as I am 88 & no big insurance to fall back on - so that leave me gullible - of course. I do not want to mess my Medicare up. - Now for the real issue!

July 19 - 2005 I received a call from Joan - 1-868-866-0696 ext 3131. Of course she had a big lingo about the benefit I was getting. I was to get \$399 medicare benefit credit I was to have in 4 to 6 weeks & could draw on. I asked at least 3 times if this was a credit to me & always got the same answer - yes - verification number 1980286 State verification. Then 7-20-05 they write a check & take it out of

There is alot of difference. When they kept saying credit me - and talked about Medicare I listened - some time if you don't respond to some of these things you are cut off & I did not want any thing done to my Medicare.

Any way now I hope I can stop these guys from deceiving any more people by telling them it is a credit from "medical benefit". The term they used.

I want my money back now - not some distant future.

I called to have this kind of calls stopped & hopefully they will let me live in peace.

Thank you very much.

A K



Othello, WA 99344-9470

P.S.

Hopfully the check photo will give you the check information you need - I have tried to give you what I have.

EXHIBIT D

Randy Trost

From: Nicole Bertrand [nicolebertrand2@sympatico.ca]
Sent: Thursday, August 18, 2005 3:03 PM
To: Randy Trost
Subject: AA script

Attachments: clip_image002.jpg



clip_image002.jpg
(2 KB)

Hi Randy, please find below the script and address for AA. Thanks Nicole

Advantage America

Hello may I speak to Mr. / Mrs. _____ my name is _____ calling from the Grant Department at American Advantage. We are calling today because there are over 30 Million dollars in Government Grants available to you of up to \$12,500 or more per year which never needs to be paid back.

Our Job here is to speed up the processes of getting your grant. I need to ask a few questions to verify you are still eligible.

- 1) You still live at (address/ city / state zip)
- 2) You are a US citizen over the age of 18 correct?
- 3) Great and what is your date of birth?
- 4) And you do still have a valid checking account correct?

(If no) I'm sorry you no longer Qualify thank you and good by.

(If yes) Okay and what is the name of your bank?

- 5) You have filed your taxes last year, 2003. Correct?

(If no) I'm sorry you no longer qualify.

Ok let me put you on hold to reserve your package. Please Hold.

Mr. / Mrs. _____ Based on the information provided you can receive a government grant for up to \$12,500 which never needs to be paid back. Now I'm assuming you could use the extra cash correct!

Great, as a member of American Advantage you will receive your welcome letter within 4-5 days. The letter will explain how easy the process is to receive Grant money every year

and never have to pay it back. In addition you'll also receive our Health Works Health Care Plan, with this plan, you and all members of your family will have access to over 300,000 health care professionals who offer huge savings on basic health care needs and much more for only \$19.95. As a special gift for looking at our risk-free 7-day review we are going to send you \$500 in Groceries of your choice. Now, after reviewing the letter if you decide that you could use the extra cash with government grants you will be billed \$299.95. But, if you decide the program is not for you simply call the toll-free number located in your letter and will not be billed. Either way the \$500 in Groceries are yours to keep.

We are so confident here at Advantage America which state, if you don't receive up to \$12,500 in government Grant money within 7 months you will receive a refund, no questions asked.

For your convenience we have made arrangements for you to process the one-time processing fee of \$49.95 through a bank-to-bank transfer. Therefore, I will need some additional information. But first I do have some important information for you to right down, do you have a pen?

(If no) I'll hold while you get one.

- 1) My name is _____ and I am the representative handling your account today.
- 2) My representative ID # is _____ and the office hours for C/S are M-F 9am to 5pm eastern standard time.
- 3) Now keep that pen handy because our processor will be giving you the customer service # for your region.

If you have any questions after today please feel free to call.

Now, please state your full name?

- 1) Is that how it appears on your checking account?
- 2) Please read the long string of #'s from left to right and be sure to let me know where there are spaces or punctuation marks between the #'s.
- 3) And what is the name of your bank?
- 4) And finally, what is the city and state you opened your account in?

Great! The processing fee will be billed within 2-days of today's date; the funds are available, correct?

Now, please hold for one moment while I transfer you to our verification processor. You will be billed within 2 days for your risk-free review. However, you do need to stay on the line to receive your tracking #. Please hold.

8/9/05

- 1) After the tone please state your full name as it appears on your account.
- 2) After the tone please state today's date.
- 3) After the tone please state the name of your bank.
- 4) After the tone please slowly read the long string of # from left to right at the bottom of your check
- 5) After the tone please state the city and state you opened your checking account in.
- 6) Great you are an authorized signer on this account. Please state yes or no after the tone.
- 7) After the tone please state your home address. (Must get street, city, state and zip code)
- 8) You do understand there is a one-time processing fee of only \$49.95 and you do authorize that draft from your checking account in 2-days from today's date. To authorize and confirm your understanding, please state Yes or No after the tone.
- 9) Please keep in mind that if the funds are not available, your bank may charge a service fee and we do not want that to happen. So, be sure the funds are available. You do understand. Please state Yes or No after the tone.
- 10) Your 7-day risk-free review letter will arrive in 4 to 5 days. You will have the ability to review the savings that you and all members of your family will be receiving with Health Works, Health Care Benefits such as access to over 300,000 Health Care Professional's Nation wide as well as thousands of dollars in savings on discounted benefits for only \$19.95 a month. If you decide to continue to be a member you will receive information on the Advantage America Government Grant Information Guide showing you how to apply for Government Grants of up to \$12,500. After your risk-free review, unless you decide to cancel you will be billed \$299.95 to your checking account. But remember there is absolutely no obligation to continue your membership. You may cancel by simply calling the toll free number located in your risk-free review letter you are going to receive during your review. As a special thank you, you will receive \$500 in Grocery coupons reviewing our material. Do you understand and accept the terms just described? Please state Yes or No after the tone.
- 11) As a special bonus you'll receive FREE, unlimited state to state long distance calling for 10 days from EZ-1-Rate.Com. This means you can make as many long distance calls as you want from the phone number that you provided for FREE! You have 10 days to use your service for FREE, after the 10 days you can continue using the service without worrying about per minute charges ever again for a one-time fee of \$49.95 and \$19.95 a month billed to your account. This is a risk free offer and you can cancel at any time by calling 1- 800-923-8939. So you will be enrolled in this long distance unlimited plan and sent a welcome package in the mail. OK?

Our customer service department office hours are 9 am to 5 pm Eastern Standard Time Monday thru Friday at 866-503-7345. If you have any questions please, do not hesitate to call. Our representatives are gladly standing by.

000322

Address

2431 Aloma Ave
Suite #158
Winter Park, FL 32792

www.americanadvantagebenefits.com <<http://www.americanadvantagebenefits.com/>>

Customer Service

866-503-7345

Monday - Friday 9am - 5pm EST

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EXHIBIT E

Grant information Guide.com Script

Hello, may I speak to _____. Hi my name is _____ with the Grants Information Guide.com. We are calling you today because your name has come up on a list of individuals who could qualify for a New Federal Government Grant up to \$5,000.

I am indeed speaking to _____. You still reside at _____. Our job here is to facilitate and speed up the process of getting your grant I need to ask you a few questions to make sure you are indeed eligible.

You are a US citizen 18 or older, correct?..... Your date of Birth please.
Do you have a valid checking or savings account?..... Name of bank please.
Have you filed your taxes in the last fiscal year?

I show here that you could be eligible for a minimum of 5K in non refundable federal grant money. We are so confident you could receive a minimum of 5K over the next 8 months.

that as a special bonus for signing up today you will also receive as a bonus a certificate for \$500 in emergency cash and a Identity Theft certificate absolutely free.

Now for processing our accounting dept. will need to verify that you have a minimum of \$249.00 in your account, this is our processing fee can you confirm that those funds are available today? (IF NO, SET DRAFT DATE)

Great, you'll be receiving your package in the next 10-20 business days, in that package you'll find a list of contact names and phone numbers to your state office so they can assist you in finding the correct forms to fill out and walk you through the process if necessary.

Now keep that pen handy because when I transfer you to our customer care department they will give you the phone number just in case you need to get a hold of us.

Now, _____ we have our billing conveniently setup through your checking account, So if you would grab your check book I'll gladly wait.....(GET CHECKING INFO)

- This Will this be checking account ?
- How does your name appear on the account?
- What bank is this account in?
- What city and state is the bank in?
- And on what street? (optional)
- Do you have the bank's phone number?
- What is the account number? (repeat account number to customer)
-
- What is your routing number? (applicable only for a checking account) (repeat also)

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- What is the check number? (Checking account only)
- And it looks like the next processing day will be tomorrow; will that be okay for you? (If no, make sure that the date is kept as soon as possible)

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GRANTS Information Guide.Com

PROGRAM HIGHLIGHTS

1. \$500 emergency cash
2. Identity Theft Certificates

Grant Information Guide Verification Script

Hello, this is the Grants Information Guide.com automated verification system. This system is going to record your information, so please speak clearly and take your time. Your operator is on the line and will assist you. Now to prevent any clerical errors and to ensure the quality of our services, we are on a recorded line, OK?

Today's Date is: (Agent States Date)_____ Press #

1. After the tone spell your first and last name.
2. After the tone, say your mailing address, be sure to include city, state and zip code.
3. After the tone, say your home telephone number, area code first.
4. After the tone, say the name of your bank.
5. After the tone, please indicate if your account is a checking account.
8. After the tone, say the name that appears on the account.
9. After the tone, say the city & state where your bank is located.
10. You are the authorized signer on this account correct? (must be a clear "yes").
11. After the tone please read all of the numbers at the bottom of your check, from left to right.

We will provide you with our financial guide. Included in this package will be your Grants Information Guide which is a simple guide to Financial Freedom. You do understand that this is all public information and Grants Information Guide.com is simply providing you with a guide to assist you in finding the correct grants for you and putting you in the right place, correct? (must be a clear "yes")

The cost for providing you the Grant Information Guide is \$249.00. You will receive your package within 20 to 25 days after your debit date. You do authorize Grant Information Guide.com to charge your account the one time fee of \$249.00 on (Customer must say the date)

Agent States : (State Agreed Debit Date) Is that Correct?
(must be a clear "yes").

Now look for your one time debit of \$249.00 to process through your account. Once the transaction has been authorized, your account will be debited electronically and the name that appears on your statement will be Grant Information Guide.com Should this

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transaction be returned unpaid, a returned item fee may also be debited from your account by your bank. You may be charged the amount allowed by your state. You do agree and Understand to the terms and conditions as they have been described correct?

(must be a clear "yes")

As a special bonus, we would like to send you TEN FREE DAYS OF UNLIMITED LONG DISTANCE CALLING as part of your review subscription to TelNet Communication. You can call ANYWHERE IN THE US, ANY TIME OF THE DAY, SEVEN DAYS A WEEK, FROM ANY TOUCH TONE TELEPHONE AND BEST OF ALL, after your ten day review, unless you call 1-866-880-3395 number in your package to cancel your calling privileges during the review period, they will be extended to you automatically, via auto-billing to the bank account you used today, for only \$39.95 per month with a low one time setup fee of \$29.95 to the account Provided.

AGAIN, THIS IS A SPECIAL THANK YOU FOR YOUR ORDER TODAY: So I will go ahead and activate your review subscription and send you your welcome package, so you can start making unlimited long distance calls to all your friends and family as I have described, OK? (You must get a YES)

If you are not satisfied after receiving the guide please contact our customer service department. Our toll free customer service number is 1-866-454-4564. Customer service is available Monday thru Saturday from 10 AM to 6 PM Mountain Standard Time. We are now finished with the verification procedure. Please take down your verification number and have a nice day

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transaction be returned unpaid, a returned item fee may also be debited from your account by your bank. You may be charged the amount allowed by your state. You do agree and Understand to the terms and conditions as they have been described correct?
(must be a clear "yes")

As a special bonus, we would like to send you TEN FREE DAYS OF UNLIMITED LONG DISTANCE CALLING as part of your review subscription to TelNet Communication. You can call ANYWHERE IN THE US, ANY TIME OF THE DAY, SEVEN DAYS A WEEK, FROM ANY TOUCH TONE TELEPHONE AND BEST OF ALL, after your ten day review, unless you call 1-866-880-3395 number in your package to cancel your calling privileges during the review period, they will be extended to you automatically, via bank draft for only \$39.95 per month with a low one time setup fee of \$29.95 to the account Provided.

AGAIN, THIS IS A SPECIAL THANK YOU FOR YOUR ORDER TODAY. So I will go ahead and activate your review subscription and send you your welcome package, so you can start making unlimited long distance calls to all your friends and family as I have described, OK? (You must get a YES)

If you are not satisfied after receiving the guide please contact our customer service department. Our toll free customer service number is 1-866-454-4564. Customer service is available Monday thru Saturday from 10 AM to 6 PM Mountain Standard Time. We are now finished with the verification procedure. Please take down your verification number and have a nice day

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As a special bonus, we would like to send you TEN FREE DAYS OF UNLIMITED LONG DISTANCE CALLING as part of your review subscription to Tel Net Communication. You can call ANYWHERE IN THE US, ANY TIME OF DAY, SEVEN DAYS A WEEK, FROM ANY TOUCH TONE TELEPHONE AND BEST OF ALL, after your ten day review, unless you call 1-866-880-3395 number in your package to cancel your calling privileges during the review period, they will be extended to you automatically, via auto-billing to the card you use today, for only \$39.95 per month with a low one time setup fee of \$29.95 to the account provided.

AGAIN, THIS IS A SPECIAL THANK YOU FOR YOUR ORDER TODAY. So I will go ahead and activate your review subscription and send you your welcome package, so you can start making unlimited long distance calls to all your friends and family as I have described, OK? (You must get a YES)

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EXHIBIT F

Dream Vacations

GOOD MORNING (AFTERNOON, EVENING) THIS IS (YOUR NAME) WITH
WE ARE HAVING A PROMOTION FOR OUR NEW TRAVEL AGENT ID PROGRAM. You (mr. jones)
HAVE BEEN RANDOMLY SELECTED TO RECEIVE 800.00 DOLLARS IN AIRLINE VOUCHERS AND 3
FREE NIGHTS HOTEL ACCOMADATIONS, ALL THAT WE ASK IS THAT YOU PAY 3 DOLLAR AND 95
CENTS FOR POSTAGE.

You are over the age of 18 correct?

And I have your address as..... (Read address from screen)

And you still do have a valid checking account correct?

Retrieve account information.....

LIKE MOST TRAVEL AGENCIES WE WILL NEED TO RESERVE YOUR
ACCOUNT INFORMATION FOR OUR RECORDS.

NOW TO GIVE YOU A LITTLE BRIEF REGARDING THE USAGE OF THIS PACKAGE INCLUDING IN
THIS PACKAGE YOU WILL GET

- 1.) \$800 IN AIRLINE VOUCHERS FOR INTERNATIONAL AND DOMESTIC FLIGHTS. THESE ARE
VALID FOR ALL MOST ALL THE AIRLINE'S WHICH YOU CAN THINK OF.....
- 2.) YOU ALSO GET A HOLIDAY ADVENTURE FOR 2 ADULTS FOR THREE DAYS AND TWO
NIGHTS TO ALL THE FINEST HOTELS IN WHICH WE PROMISE YOUR SATISFACTION.
WE ALSO GIVE AN OPTION TO CHOOSE YOUR DESTINATIONS FROM THE FOLLOWING
PLACES LIKE (Anaheim CA) (Reno NY) (Scottsdale, Sedona, AZ) (Orlando and Miami FL)
(Wisconsin Dells WI) and many more exotic Destinations,
- 3.) Apart from this you ARE ALSO GETTING 3 to 7 night's OF Carnival Cruises like
IMAGINATION- FASCINATION MIAMI, ECSTASY, ELATION LA, WHICH EVER YOU CHOOSE
YOU AND YOUR COMPANION WILL ENJOY 3 TO 7 NIGHTS OF FABULOUS FOOD AND
PAMPERED SERVICE AND CARE FREE FUN ABOARD A CARNIVAL LUXURY CRUISE
- 4.) AS YOU ARE OUR PRESTIGIOUS CUSTOMER WE WOULD ALSO LIKE TO
OFFER YOU OUR VIP GOLD MEMBERSHIP CARD WORTH \$500.
THIS HELPS YOU IN GETTING 50% DISCOUNT ON HOTELS, CAR RENTALS, AIR,
CRUISES AND MANY MORE,
WE ARE ALSO PROVIDING YOU A WORLD WIDE DIRECTORY OF MEMBER HOTELS WHICH
INCLUDES THE NAMES AND TELEPHONE NUMBER FOR OVER 3000 HOTELS WHERE THIS GOLD
CARD CAN BE USED WHICH CAN BE USED IN INTERNATIONAL HOTELS AS WELL

IF YOU DECIDE THAT THE PACKAGE IS FOR YOU. YOU WILL BE SET UP FOR
\$19.95 PER MONTH: WITH A ONE TIME SET UP FEE OF \$79.95. IF YOU DECIDE
THAT THE PACKAGE DOES NOT BENEFIT YOU, SIMPLY CALL THE TOLL FREE
NUMBER IN YOU PACKAGE WITHIN 10 AFTER RECEIVING THE PACKAGE AND
YOU WILL NEVER BE BILLED. OK!

AND YOU STILL GET TO KEEP AIRLINE VOUCHERS AS WAY OF SAYING THANKS FOR USING OUR
SERVICES. OK!

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GREAT (MR JONES) I WILL NOW BE TRANSFERING YOU TO OUR VERIFICATION DEPARTMENT. THEY WILL ASK YOU TO VERIFY YOUR INFORMATION ON A RECORDED LINE SO THAT IT CAN NOT BE USED FOR ANY OTHER PURPOSE.....PLEASE HOLD.

PUSH THE MUTE BUTTON VERIFIER!!!!!!!

Verification

Hello, welcome to the pre-recorded verification system. To prevent any clerical errors and to ensure the quality of our services, we are on a recorded line, OK?

1. Today's date is _____ after the tone say your first and last name.
2. After the tone, say your mailing address, be sure to include city, state and zip code.
3. After the tone, say your home telephone number, area code first.
4. After the tone, say the name of your bank.
5. After the tone, say the name that appears on the account.
6. After the tone, say the city & state where your bank is located.
7. After the tone please read all of the numbers at the bottom of your check, from left to right.
8. You are the authorized signer on this account correct? (must be a clear "yes").

Great, you will also receive up to \$800 in airline vouchers for reviewing Dream vacations risk free for 10-days. You will enjoy the benefits and discounts only travel agents receive with your personal discount card. This will save up to 50% on cruises, airline tickets, family trips, and much more, And all we ask you to pay is \$3.95 today After your 10-day trial, the account provided today will automatically be billed a one-time activation fee of \$79.95, plus the first monthly membership fee of \$19.95. But remember, you are under no obligation to continue, if you decide the program is not for you, call the customer service number 1-877-295-3927, which will also be included in your package before the trial period ends and you'll never be billed, either way keep the Airline vouchers as a thank you. So with your permission under the terms described we'll rush your Discount Card and your benefits will start immediately. If your cheque returns unpaid we will attempt to debit your account again for the full amount OK?

000046

As a Special member we would like to offer you a free review of 12 nights stay in beautiful sun kissed beaches of Florida valued at \$1200 offered to you today by Escape Getaways. Your vacation will include 2 offers of 7 days and 6 nights of hotel accommodation in the sunny beaches of Florida. You will have 7 days to review this vacation that is valued at over \$1200. If during your 7 days free review period you do not call 1-877-295-3907 to cancel, the promotional fees of only \$149 would be applied to the account provided today. Your trip is subject to black out days of Christmas, New Year and special events. These vacations are fully transferable and would be sent out to you with a travel date of 1 year from today.

As a special bonus, we would like to send you TEN FREE DAYS OF UNLIMITED LONG DISTANCE CALLING as part of your review subscription to 19 Communications. You can call ANYWHERE IN THE US, ANY TIME OF DAY, SEVEN DAYS A WEEK, FROM ANY TOUCH TONE TELEPHONE AND BEST OF ALL, after your ten day review, unless you call the 800 number in your package to cancel your calling privileges during the review period, they will be extended to you automatically, via auto-billing to the card you used today, for only \$39.95 per month with a low one time setup fee of \$29.99 to the card ending in _____

Telnet

AGAIN, THIS IS A SPECIAL THANK YOU FOR YOUR ORDER TODAY. So I will go ahead and activate your review subscription and send you your welcome package, so you can start making unlimited long distance calls to all your friends and family as I have described, OK? (You must get a YES)

Great, customer service is available Monday through Saturday from 10am to 5PM MST Time.
Thank you, your verification ID number is

Revised: 04/18/2005

I'M NOT INTERESTED.

Can you tell me why?

You don't want something free?
(Return to Script)

000047

I DON'T HAVE ANY MONEY RIGHT NOW.

No problem, that's why we're giving you the 10-day free trial. (Return to Script)

I DON'T NEED IT.

That's OK. You're welcome to give the free vouchers to your family and friends. (Return to Script)

IT SOUNDS GOOD. MAYBE LATER.

It is a great program! Take the 10-day free trial and if you like it, you're always welcome to call the 800 number and become our client later. (Return to Script)

CAN YOU SEND ME SOME INFORMATION FIRST?

That's exactly what we're doing. That's the purpose of the 10-day free trial. (Return to Script)

I NEED TO TALK IT OVER WITH MY HUSBAND/WIFE.

I understand. Let's go ahead and set this up and if he/she doesn't want the 10-day free trial, give a call and we'll stop the mailing, so you won't get the free vouchers. (Return to Script)

HOW MUCH WILL THIS COST ME?

the 10-day free trial. (Return to Script)

Nothing! That's why we give you

000048

REBUTTALS FOR WHEN YOU HAVE NOT PITCHED CORRECTLY

HOW DO I KNOW THIS ISN'T A SCAM?

I'm afraid we're not that interesting! We're just offering you an old-fashioned 10-day free trial. That's why we're giving you the free vouchers for your time. *(Return to Script)*

HOW DID YOU GET MY NAME?

Every morning we get a list of names and numbers of people who are supposed to be interested in travel discounts. *(Return to Script)*

CAN I SEND YOU A CHECK?

Unfortunately we are no longer able to do business that way. We can't guarantee your check will make it here, and I'm afraid we've had too many returned checks. *(Return to Script)*

WHY DO YOU NEED MY ACCOUNT NUMBER?

As I said, we DO sign you up as our client and that way, if you want to continue to get 50% off for travel, we go ahead and debit your account. *(Return to Script)*

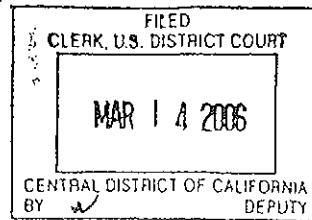
I DON'T GIVE MY BANK INFORMATION OVER THE PHONE.

I wish I could tell you that are silly, but it's not. That's why we don't do business on the web because it doesn't meet our security requirements. We take every precaution to protect your account information including holding the information electronically. *(Return to Script)*

000049

EXHIBIT G

ORIGINAL



RECEIVED

Priority ☒
Send ☒
Enter ☒
Closed ☐
JS-5/JS-6 ☐
JS-2/JS-3 ☐
Scan Only ☐

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(J).

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission,

Plaintiff(s),

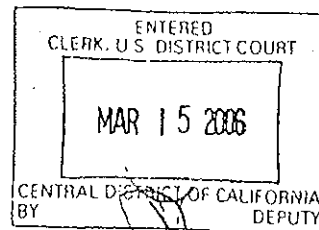
v.

Universal Premium Services, Inc., et al.,

Defendant(s).

NO. CV 06-0849 SJO (OPx)

ORDER GRANTING PLAINTIFF FEDERAL
TRADE COMMISSION'S APPLICATION FOR
PRELIMINARY INJUNCTION AND
APPOINTMENT OF PERMANENT RECEIVER



On February 21, 2006, this Court granted Plaintiff Federal Trade Commission's ("FTC") *Ex Parte* Application for Temporary Restraining Order ("TRO") With Asset Freeze, Appointment Of Temporary Receiver, And Other Equitable Relief And Order to Show Cause Why A Preliminary Injunction Should Not Issue And A Permanent Receiver Should Not Be Appointed (hereinafter, the "*Ex Parte* TRO Application").¹ The *Ex Parte* TRO Application was made on the grounds that

¹ Concurrent with the filing of the Complaint, the FTC filed the *Ex Parte* TRO Application for an Order enjoining Defendants from continuing their alleged fraudulent sales practices and other ancillary equitable relief, including: (1) an asset freeze; (2) appointment of temporary receiver; (3) immediate access to Defendants' business premises and records; (4) an accounting; (5) immediate production of documents; (6) limited expedited discovery; and (7) an order to show cause why a preliminary injunction should not issue and why a permanent receiver should not be appointed. In view of the compelling evidence submitted by FTC, this Court found good cause

48

1 defendants Universal Premium Services, Inc. (a.k.a. Premier Benefits, Inc.); Consumer Reward
 2 Network, Inc.; Star Communications LLC; Membership Services Direct, Inc. ("Membership
 3 Services Direct") (a.k.a. Continuity Partners, Inc.); Connect2USA, Inc. (collectively, "Corporate
 4 Defendants"), and individual defendants Brian K. MacGregor ("Brian MacGregor"), Harijinder
 5 Sidhu, Joseph F. LaRosa, Jr. ("Joseph LaRosa"), Pranot Sangprasit, William Thomas Heichert
 6 ("William Heichert"), Michael Howard Cushing ("Micheal Cushing"), Paul P. Tosi ("Paul Tosi"), and
 7 Manh Cao (collectively, "Individual Defendants") (Corporate Defendants and Individual
 8 Defendants are herein collectively referred to as "Defendants") have engaged, and continue to
 9 engage in deceptive acts and practices in or affecting commerce, in violation of Section 5(a) of
 10 the FTC Act, 15 U.S.C. § 45(a), and the Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310.
 11 (Complaint, ¶¶ 36, 40-52). Through this action, FTC seeks, *inter alia*, restitution and rescission
 12 of contract to redress consumer injury and disgorgement of Defendants' ill-gotten gains. *Id.* ¶ 57.

13 Presently before this Court is FTC's Application for Preliminary Injunction And Appointment
 14 Of Permanent Receiver ("Application For Preliminary Injunction"). In addition to the evidence FTC
 15 filed in support of its *Ex Parte* Application For TRO, FTC submits further evidence to demonstrate
 16 that good cause exists to issue a preliminary injunction, appoint a permanent receiver, and to
 17 permit other equitable relief to prevent continued consumer injury from Defendants' alleged illegal
 18 activity. The additional evidence includes FTC's: (1) Supplemental Brief In Support Of FTC's
 19 Application For Preliminary Injunction And Appointment Of Receiver ("Supplemental Brief"); (2)
 20 Second Declaration Of Bret Smart, an FTC investigator ("Second Smart Decl."); and (3) Second
 21 Declaration of David Kirkman, a North Carolina Assistant Attorney General. This Court is also in
 22 receipt of Robb Evans & Associates LLP's Report Of Temporary Receiver For The Period From
 23 February 22, 2006 Through March 3, 2006 ("Temporary Receiver's Report"). The following
 24 defendants filed Oppositions to FTC's Application For Preliminary Injunction: (1) Joseph LaRosa,
 25 Pranot Sangprasit, William Heichert, Michael Cushing, Paul Tosi, and Manh Cao (hereafter, the
 26

27 _____
 28 existed to employ these measures to prevent continued consumer injury, dissipation of assets,
 and destruction of evidence, and the preservation of this Court's ability to provide effective final
 relief to Defendants' victims.

"LaRosa Opposition"); (2) Membership Services Direct and Brian MacGregor (hereafter, the "MacGregor Opposition"); (3) Harijinder Sidhu (hereafter the "Sidhu Opposition"); and Christine MacGregor and Midwest Properties, Inc. (hereinafter, "Midwest Properties Opposition").

Upon review of the admissible evidence of record, the parties' contentions, relevant case law, and equitable considerations, this Court GRANTS FTC'S Application For Preliminary Injunction. FTC is to prepare a Proposed Preliminary Injunction With Asset Freeze, Appointment Of Permanent Receiver, And Other Equitable Relief ("Proposed Preliminary Injunction Order") consistent with this Court's Order as detailed below.

I. FACTUAL BACKGROUND

Since 2004, Defendants have allegedly engaged in a deceptive and abusive telemarketing campaign in which their telemarketers call consumers offering an attractive free item, such as "free" gift cards for use at major retailers, "shopping sprees," movie passes, or gas vouchers. Compl. ¶ 20. Defendants have allegedly carried out their "scam" through at least 5 entities-- Defendants Premier Benefits, Inc., Consumer Reward Network, Inc., Star Communications LLC, Continuity Partners, Inc., and Connect2USA, Inc.³ *Id.* ¶ 21.

The FTC avers that consumers are told that to receive the "free" items, they must pay a nominal shipping and handling fee, to be debited from their bank account. *Id.* ¶ 25.⁴ Once Defendants' telemarketers have the consumers' bank account information, they allegedly engage

² The Midwest Properties Opposition was filed on March 13, 2006, immediately before this Court heard oral argument on the instant Application For Preliminary Injunction. The issues raised in the Midwest Properties Opposition were considered in today's present ruling.

³ According to FTC's Supplemental Brief, filed on March 3, 2006, Corporate Defendants are furthering their illegal acts through newly formed corporate entities, including "Merchant Risk Management, Inc.," "All Star Access, Inc.," Prime Time Ventures, Inc., "Pantel One Corporation," and "World Era Development Limited." There is an adequate showing that such entities are mere extensions of Defendants' current and/or former companies, and, to a large extent, are only changes in form--i.e., the name of the entity--but not substance--i.e., the product or service offered is substantively the same.

⁴ The FTC has submitted evidence in the form of declarations showing that Defendants misrepresented that they will send consumers a valuable free item upon payment of a nominal shipping and handling fee. *Ex Parte* TRO Application at 13, n. 73.

1 in various deceptive and abusive tactics to induce consumers to enroll in membership "discount"
 2 programs through which the consumers' bank accounts are to be debited on a negative option
 3 basis (the "verification process" or "verification recording"). *Id.* ¶¶ 26-30.⁵ Consumers report that
 4 the Defendants make numerous debits to the consumers' bank accounts, in amounts ranging from
 5 \$1.95 to \$149.90, but do not send the free item that they promised to the consumer. *Id.* ¶ 32.⁶
 6 Moreover, the Defendants make it difficult, if not impossible, for the consumers to obtain refunds
 7 and avoid additional debits to the consumers' bank accounts, despite the Defendants' previous
 8 representations that consumers may cancel their memberships and obtain refunds. *Id.* ¶¶ 33-35.

9 Based on the foregoing allegations, the FTC filed this action against Defendants alleging:
 10 (1) violation of § 5(a) of the FTC Act, 15 U.S.C. § 45(a), by making material misrepresentations
 11 to consumers in the course of telemarketing membership programs (Claim 1); (2) violation of §
 12 310.3(a)(2)(iv) of FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R. § 310.3(a)(2)(iv), by
 13 misrepresenting a material aspect of the nature or terms of their refund and cancellation policies
 14 (Claim 2); (3) violation of § 310.3(a)(2)(vii) of the TSR, 16 C.F.R. § 310.3(a)(2)(vii), by
 15 misrepresenting their affiliation with, or endorsement or sponsorship by, a person or government
 16 entity (Claim 3); (4) violation of § 310.4(a)(6) of the TSR, 16 C.F.R. § 310.4(a)(6), by causing the
 17 submission of the customer's billing information without the express informed consent of the
 18 customer (Claim 4); (5) violation of § 310.4(a)(1) of the TSR, 16 C.F.R. § 310.4(a)(1) by engaging
 19 in threats, intimidation, or the use of profane or obscene language (Claim 5); (6) violation of §
 20 310.4(b)(1)(iii)(A) of the TSR, 16 C.F.R. § 310.4(b)(1)(iii)(A), by initiating or causing a telemarketer
 21 to initiate an outbound telephone call to a person when that person previously has stated that he
 22

23 ⁵ As part of Defendants' efforts to obtain the consumers' bank account information,
 24 Defendants allegedly abuse and harass consumers by calling them repeatedly even after being
 25 requested to stop. *Ex Parte* TRO Application at 15, n. 80, 82. The FTC also alleges that
 26 Defendants deceive, threaten, and harass consumers to obtain their purported consent to debit
 27 their accounts for membership program fees. *Ex Parte* TRO Application at 17, n. 85. The FTC
 28 further avers that Defendants even debit the accounts of consumers who have hung up on
 Defendants' telemarketer or who have been specifically told they would not be charged. *Ex Parte*
 TRO Application at 19-20, n. 98.

⁶ The FTC has proffered evidence showing that Defendants do not send consumers the
 promised free items. See *Ex Parte* TRO Application at 20, n. 99.

1 or she does not wish to receive an outbound telephone call made by or on behalf of the seller
 2 whose goods or services are being offered (Claim 6); and (7) violation of § 310.3(a), (c), or (d),
 3 and § 310.4 of the TSR, thereby violating § 310.3(b) of the TSR, 16 C.F.R. § 310.3(b) by assisting
 4 and facilitating an act or practice that violates the TSR.

5 II. LEGAL STANDARD AND DISCUSSION

6 A. This Court Has the Authority to Grant the Requested Relief.

7 The Court has the authority to grant the temporary, preliminary, and permanent equitable
 8 relief sought by the FTC. The second provision of § 13(b) of the FTC Act, 15 U.S.C. § 53(b),
 9 provides that "in proper cases[,] the Commission may seek, and after proper proof, the court may
 10 issue, a permanent injunction." *Id.* A "routine fraud case," such as the case at bar "is a proper
 11 case." *FTC v. H. N. Singer, Inc.*, 668 F.2d 1107, 1111 (9th Cir. 1982).

12 Section 13(b) also permits the Court to grant whatever additional, temporary, or preliminary
 13 relief is necessary to preserve the possibility of effective final relief. *Id.* at 1113-1114. Such relief
 14 may include an order freezing assets, a temporary restraining order enjoining practices, permitting
 15 expedited discovery and immediate access, and a preliminary injunction. *Id.*; see also, *FTC v.*
 16 *U.S. Oil & Gas Corp.*, 748 F.2d 1431, 1434 (11th Cir. 1984) ("Congress did not limit the court's
 17 powers under the final proviso of § 13(b) and as a result[,] this [c]ourt's inherent equitable powers
 18 may be employed to issue a preliminary injunction, including a freeze of assets, during the
 19 pendency of an action for permanent injunctive relief.").

20 The exercise of this broad, equitable authority is particularly appropriate where, as here,
 21 the public interest is at stake. See *FTC v. Gem Merchandising Corp.*, 87 F.3d 466, 469 (11th Cir.
 22 1996). When the public interest is implicated, the courts' equitable powers "assume an even
 23 broader and more flexible character than when only a private interest is at stake." *Id.* (citations
 24 omitted).

25 In addition, § 19(b) of the FTC Act, 15 U.S.C. § 57b, authorizes this Court to grant relief
 26 as it finds necessary to redress injury to consumers resulting from violations of a trade regulation
 27 rule, including the TSR. Congress provides that such relief may include, but should not be limited
 28

1 to, "rescission or reformation of contracts, the refund of money [and] return of property." "15
2 U.S.C. § 57b(b).

3
4 B. An Order Granting Preliminary Injunctive Relief Is Proper Because the FTC Is Likely
5 to Succeed on the Merits and a Balancing of the Equities Tips in the FTC's Favor.

6 Because the FTC acts to safeguard the public interest, the standard for a TRO and
7 preliminary injunctive relief under § 13(b) differs from that typically applied to private litigants.
8 Section 13(b) "places a lighter burden on the Commission than that imposed on private litigants
9 by the traditional equity standard; the Commission need not show irreparable harm to obtain a
10 preliminary injunction." *FTC v. Warner Communications, Inc.*, 742 F.2d 1156, 1159-1160 (9th Cir.
11 1984) (citing Conference Report No. 924, 93d Cong., 1st Sess. 11, *reprinted in* 1973 U.S. Code
12 Cong. & Admin. News 2533). "In determining whether to grant a preliminary injunction under §
13 13(b), a court must 1) determine the likelihood that the Commission will ultimately succeed on the
14 merits and 2) balance the equities." *Warner Communications*, 742 F.2d at 1160.

15 1. The FTC Is Likely to Succeed on the Merits.

16 a. The Standard

17
18 Section 5(a) of the FTC Act, 15 U.S.C. § 45, makes it unlawful to engage in "unfair or
19 deceptive acts or practices." The FTC adopted the TSR pursuant to 15 U.S.C. § 6102 which
20 directed the Commission to prescribe rules prohibiting deceptive telemarketing or practices.
21 Pursuant to § 3(c) of the Telemarketing Act, 15 U.S.C. § 6102(c) and Section 18(d)(3) of the FTC
22 Act, 15 U.S.C. § 57a(d)(3),⁷ violations of the TSR constitute unfair and deceptive acts or practices
23 in or affecting commerce, in violation of 5(a) of the FTC Act, 15 U.S.C. § 45(a).

24
25
26
27 ⁷ Title 15 of the United States Code, section 57a(d)(3) provides that "When any rule under
28 subsection (a)(1)(B) takes effect a subsequent violation thereof shall constitute an unfair or
deceptive act or practice in violation of section 5(a)(1) of this Act [15 U.S.C. § 45(a)(1)], unless
the Commission otherwise expressly provides in such rule."

b. The TSR Claims Apply to Defendants Because They Are "Sellers" and "Telemarketers" Engaged in "Telemarketing" to "Customers" as Those Terms Are Defined in the TSR.

Under the TSR, a "seller" is one "who, in connection with a telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration." 16 C.F.R. § 310.2. A "telemarketer," on the other hand, is one "who, in connection with telemarketing, initiates or receives telephone calls to or from a customer or donor." *Id.* "Telemarketing" is defined as "a plan, program, or campaign which is conducted to induce the purchase of goods or services . . . by use of one or more telephones and which involves more than one interstate telephone call." *Id.* A "customer" is one "who is or may be required to pay for goods or services offered through telemarketing." *Id.*

As indicated in this Court previous order granting FTC *Ex Parte* TRO Application, causes of action 2 through 7 allege that Defendants violated various provisions of the TSR. TSR's provisions apply to the instant case because Defendants are "sellers" or "telemarketers" engaged in "telemarketing" as those terms are defined in the TSR, and each of the consumers who has been called by Defendants is a "customer," as defined in TSR § 310.2(I). Defendants do not dispute that they are "sellers" or "telemarketers" or that the individuals harmed are not considered "customers" as defined in the TSR.⁸

⁸ The LaRosa Opposition makes the passing argument that the FTC Act and TSR--the statutes giving rise to FTC's causes of action--are inapplicable here. Specifically, the La Rosa Opposition contends that the FTC Act and TSR, which relate to unfair or deceptive trade practices under federal law, do not preempt "distinct state law claims relating to unfair or deceptive trade practices regarding liability of officers, directors and employees for the acts of their business organizations." (LaRosa Opposition, 12:16-20). For support, the LaRosa Opposition relies chiefly on the Supreme Court decision, *CSX Transportation, Inc. v. Easterwood*, 507 U.S. 658 (1993). In *CSX Transportation*, a male truck driver was killed when struck by a train and his widow brought suit against the defendant railroad for negligence. *CSX Transportation*, 507 U.S. at 661. With respect to the issue of federal preemption, the Court held that regulations adopted by the Secretary of Transportation under the Federal Railroad Safety Act did not preempt requirements imposed by state common law of negligence regarding railroad's duty to maintain warning devices at a railroad crossing. *Id.* In arriving at its decision, the *CSX Transportation* Court examined whether the regulations adopted by the Secretary of Transportation in fact covered the same subject matter as state law, and if so, preemption applied. *Id.* at 675. A reading of *CSX Transportation* and the other cases cited in the LaRosa Opposition does not persuade this Court that state law controls, but only furthers this Court's opinion that the FTC Act and TSR govern this action. In full view of

c. The FTC Is Likely to Succeed on Claims 1, 2, and 3.

As stated above, the FTC Act makes it unlawful to engage in "unfair or deceptive acts or practices." 15 U.S.C. § 45(a) (Claim 1). Likewise, the TSR makes it unlawful to misrepresent, in the sale of goods or services, any material aspect of the nature or terms of the seller's refund, cancellation, exchange, or repurchase policies. 16 C.F.R. § 310.3(a)(2)(iv) (Claim 2). Further, the TSR makes it unlawful to misrepresent a seller's or telemarketer's affiliation with, or endorsement or sponsorship by, any person or government entity. 16 C.F.R. § 310.3(a)(2)(vii) (Claim 3).

1. *Defendants' misrepresentations to induce consumers to disclosure their bank account information*

Defendants fail to sufficiently dispute that they made numerous misrepresentations to consumers to induce them to disclose their bank account information so as to obtain authorizations to debit their bank accounts. Because Defendants' misrepresentations purportedly caused consumers to act to their detriment, each misrepresentation is central to the transactions and therefore material. *Ex Parte* TRO Application at 58. In many instances, each of these representations was also false. *Id.* Through Defendants' misrepresentations, it is likely that FTC will prove that Defendants engaged in deceptive practices in violation of § 5 of the FTC Act.

2. *Defendants' deceptive business practices*

As FTC further points out, Defendants fail to submit evidence of the existence of the "valuable items" that Defendants' telemarketers offered to consumers, such as \$200-\$500 gift cards, "shopping sprees" or gas vouchers. (See FTC's Supplemental Brief, 16:5-7). FTC staff did not find any inventory of such valuable items on Defendants' premises, and did not find evidence that these products were shipped by third parties on Defendants' behalf. (FTC's Supplemental Brief, 16:5-9; Second Smart Decl., ¶ 48). FTC's examination of Defendants' accounting records did not reveal entries for payment of any such inventory. (FTC's

FTC's causes of action, the FTC Act and TSR substantially cover the subject matter of this litigation so as to preempt the state laws the LaRosa Opposition alludes to.

1 Supplemental Brief, 16:9-10; Second Smart Decl., ¶ 48). FTC staff discovered only approximately
 2 150 movie passes to two movie theater chains. (FTC's Supplemental Brief, 16:5-9; Second Smart
 3 Decl., ¶ 48). The failure of Defendants to demonstrate that it did not engage in deceptive
 4 business practices by offering valuable items it did not possess and did not intend to provide
 5 strongly weighs in favor of finding that FTC is likely to demonstrate that Defendants engaged in
 6 acts of misrepresentation in violation of the FTC Act.

7 In addition, FTC offers Defendants' telemarketing sales scripts as evidence to corroborate
 8 FTC's claim that Defendants engage in deceptive business practices. Said scripts evince
 9 Defendants' continual attempts to, among other things, delay or thwart a customer's ability to
 10 cancel their memberships. (Second Smart Decl., ¶ 13, p. 236 (script); TRO Exh. 18 Miller ¶ 12,
 11 p. 154 (consumer told to "keep checking in"); Second Smart Decl., ¶ 13, Exh. p. 232 (customer
 12 not allowed to cancel immediately, but had to wait)). FTC contends that Defendants' use of such
 13 scripts and questionable other tactics resulted in consumers filing hundreds complaints. For
 14 example, at Merchant Risk Management's office suit, FTC found over eight file cabinet drawers
 15 worth of complaints in two rooms, (Second Smart Decl., ¶ 24), and at Pantel One Corporation's
 16 offices, for the seven-day period from February 11, 2006 through February 17, 2006, there were
 17 approximately 193 consumer complaint letters received by mail about All Star Access,
 18 approximately 400 consumer complaint letters about Star Communications, approximately 135
 19 consumer complaint letters about Consumer Reward Network, and numerous letters from State
 20 Attorney General offices, the Better Business Bureau and private attorneys complaining about
 21 these companies business practices. (Second Smart Decl., ¶ 25).

22 The telemarketing sales scripts and questionable tactics used by Defendants appear to
 23 result in undue prejudice consumers. The existence of such evidence weighs in favor of finding
 24 that FTC is likely to demonstrate that Defendants engaged in unfair and deceptive business
 25 practices in violation of the FTC Act.

26
 27 3. *Defendants misrepresent their affiliation with other business*
 28 *entities in their telemarketing calls in violation of the TSR*

1 Defendants fail to adequately demonstrate a bona fide affiliation with retailers such as Wal-
 2 Mart, Macy's, or the government. Upon inspecting Defendants' business records, FTC staff found
 3 documents indicating that Defendants have also misrepresented their affiliation with Consumers
 4 Union, Health Net, Inc., Health Net of Arizona, Inc., and JC Penney, all of whom have demanded
 5 that Consumer Reward Network and Star Communications stop misrepresenting their affiliation
 6 with these entities. (FTC's Supplemental Brief, 17:2-6; Second Smart Decl., ¶ 26, Exh. 19, pp.
 7 302-05 and ¶ 27, Exh. 20, pp. 306-09).

8 In light of such evidence, it is likely that FTC will prevail in demonstrating that
 9 Defendants falsely affiliated itself with other companies and the government in violation of the
 10 TSR.

11 d. FTC Is Likely to Succeed on Claims 4 and 5.

12 The TSR also prohibits telemarketers and sellers from engaging in abusive telemarketing
 13 acts and practices, which are defined to include, *inter alia*, (1) threats, intimidation, or the use of
 14 profane or obscene language, 16 C.F.R. §§ 310.4(a)(1) and (2) causing billing information to be
 15 submitted for payment without the express informed consent of the customer or donor, 16 C.F.R.
 16 § 310.4(a)(6).

17 As the consumer declarations establish, Defendants caused customers' billing information
 18 to be submitted for payment without the express and informed consent of the customer. See,
 19 e.g., Ex. 9, Kanduri ¶ 3. The consumer declarations also establish that Defendants' telemarketers
 20 used threats, intimidation, and profane or obscene language in their telemarketing calls to
 21 consumers. See, e.g., Ex. 23, Saylor, ¶¶ 2-6 (telemarketer badgered and harassed consumer to
 22 the point where she ended up agreeing to his offer simply to get him to stop calling). Thus,
 23 Defendants may have violated TSR §§ 310.4(a)(1) and (6).

24 e. The FTC Is Likely to Succeed on Claim 6.

25 Section 310.4(b) of the TSR prohibits telemarketers from initiating any outbound telephone
 26 call to a person when that person previously has stated that he or she does not wish to receive
 27
 28

1 an outbound telephone call made by or on behalf of the seller whose goods or services are being
2 offered.

3 Defendants' telemarketers continued to call consumers who had previously asked them
4 to stop calling. See, e.g., Ex. 8 Joslyn ¶¶ 3, 7, 8 (consumer received at least 12 of Defendants'
5 telemarketing calls in two days following her first request that the company stop calling). These
6 calls were made in violation of TSR § 310.4(b)(1)(iii)(A).

7 f. FTC Is Likely to Succeed on Claim 7.

8 The TSR prohibits any person from providing substantial assistance or support to any seller
9 or telemarketer when that person knows or consciously avoids knowing that the seller or
10 telemarketer is engaged in any act or practice that violates the TSR. 16 C.F.R. §§ 310.3(a), (c),
11 (d). Except for Joseph LaRosa, each Individual Defendant--Brian MacGregor, Harijinder Sidhu,
12 Pranot Sangprasit, William Heichert, Michael Cushing, Paul Tosi, and Manh Cao--is or was an
13 officer and director of one of the Corporate Defendants. Joseph LaRosa controlled Defendant
14 Consumer Rewards Network's bank accounts, oversaw the companies' response to customer
15 complaints, and was the companies' contact in dealing with complaints forwarded by various State
16 Attorney Generals. *Ex Parte* TRO Application at 48, n. 250, 60. At a minimum, these Individual
17 Defendants consciously avoided knowing of their companies' illegal activities.

18 Upon review of Defendants' business records, FTC staff found additional evidence
19 demonstrating that Individual Defendants control Corporate Defendants, as well as evidence that
20 Individual Defendants control newly-formed entities, including, but not limited to, "Merchant Risk
21 Management, Inc.,"⁹ "All Star Access, Inc.," "Prime Time Ventures, Inc.," "Pantel One Corporation,"
22
23
24
25

26 ⁹ Merchant Risk Management is Defendants' principal place of business, (Second Smart
27 Decl., ¶ 6), and is located at 3800 Howard Hughes Parkway, Suite 500, Las Vegas, NV. Merchant
28 Risk Management's office suite was formally occupied by corporate defendant Connect2USA, Inc.
until January 2006. For all practical purposes, it appears that defendant Connect2USA, Inc. is
Merchant Risk Management.

1 and "World Era Development Limited,"¹⁰ which FTC contends were created in an effort to continue
2 their illegal conduct and hide assets in furtherance of perpetrating their scam.

3 Further Evidence of Individual Defendants' involvement in illegal conduct is as follows:

4 **Brian MacGregor:** Evidence indicates that in addition to controlling Corporate Defendants,
5 Brian MacGregor controls Defendants' new corporate affiliates. Such evidence includes the fact
6 that Brian MacGregor is the principal of Merchant Risk Management, (Second Smart Decl., ¶ 44,
7 Exh. 37, pp. 361-63; ¶ 16, Exh. 11, pp. 259-60), maintains an office on that company's business
8 premises, (Second Smart Decl., ¶ 3), and has business cards showing he is affiliated with the
9 company. (Second Smart Decl., ¶ 28, Exh. 21, p. 310).¹¹ FTC also submits evidence that Brian
10 MacGregor helped author the marketing material for Prime Time Ventures' product "Protection
11 Plus," (Second Smart Decl., ¶ 29, Exh. 22, pp. 311-14; ¶ 38, Exh. 31, p. 349), and authorized
12 payment for the rent and utility bills of Defendants' Phillippines telemarketing call center,
13 "Connect2, Inc." (Second Smart Decl., ¶ 39, Exh. 32, p. 350). FTC maintains that Brian
14 MacGregor also selected new names for the membership programs that Defendants had
15 marketed through defendant Consumer Reward Network and were going to market through their
16 new company, All Star Access. (Second Smart Decl., ¶ 218, Exh. 13, p. 286). In addition, FTC
17 staff found in Brian MacGregor's office a list of website addresses affiliated with Defendants.
18 (Second Smart Decl., ¶ 30, Exh. 23, pp. 315-16).

19 **Harijinder Sidhu:** Evidence indicates that in addition to serving as defendant
20 Connect2USA's sole officer and director, Harijinder Sidhu had authority to control Defendants'

21
22
23 ¹⁰ Although the newly-formed entities are not named in the Complaint, Defendants fail to
24 adequately explain why such entities should not be included in this Court's determination of
25 whether a preliminary injunction should issue in this case. In an abundance of caution, this Court
26 finds that the existence of Defendants' newly-formed entities is important to the resolution of the
27 instant Application For Preliminary Injunction. In view of the evidence, the newly-formed entities
28 have a purpose which is suspect, namely, continuing the purported illegal activity alleged in the
Complaint. As such, they are properly included in this Court ruling.

¹¹ FTC maintains that its staff found on Brian MacGregor's desk, business cards in his name
for Continuity Partners, Connect2USA, and Merchant Risk Management. (Second Smart Decl.,
¶ 28, Exh. 21, p. 310).

1 domestic telemarketing call center, I Connect Communications.¹² (Second Smart Decl., ¶ 9, Exh.
2 4, p. 49).

3 **Joseph LaRosa:** Evidence indicates that in addition to managing Corporate Defendants,
4 Joseph LaRosa has authority to act on behalf of Merchant Risk Management and is the
5 company's General Manager. (Second Smart Decl., ¶ 40, Exh. 33, p. 351). FTC also maintains
6 that Joseph LaRosa set up All Star Access' demand draft account at Payment Processing Center,
7 (Second Smart Decl., ¶ 41, Exh. 34, p. 353), controls the bank accounts of both All Star Access
8 and Prime Time Ventures, (Second Smart Decl., ¶ 19, Exh. 14, pp. 287-91), and serves as
9 director of Defendants' Phillippines telemarketing center, defendant Connect2, Inc. (Second Smart
10 Decl., ¶ 31, Exh. 24, p. 316). The evidence further demonstrates that Joseph LaRosa was
11 involved in the process for selecting new names for the membership programs that Defendants
12 had marketed through Consumer Reward Network and were going to market through their new
13 company, All Star Access. (Second Smart Decl., ¶ 18, Exh. 13, p. 286).

14 **Pranot Sangprasit:** Evidence indicates that Pranot Sangprasit involvement extends
15 beyond his affiliation with defendants Premier Benefits and Star Communications. Pranot
16 Sangprasit is shown to have an "in" folder to receive internal company mail at Defendants' new
17 entity, Merchant Risk Management, (Second Smart Decl., ¶ 15), and is authorized to transact
18 business on All Star Access' behalf. (Second Smart Decl., ¶ 17, Exh. 12, p. 268). In addition,
19 there is proof that Pranot Sangprasit is also involved with the activities of Prime Time Ventures,
20 as well as Impact Marketing and Synergy Marketing Group, (Second Smart Decl., ¶ 33, Exh. 26,
21 p. 333), which FTC contends were created for use as tools to run Defendants' illegal activities and
22 hide their assets.

23 **William Heichert:** Evidence indicates that in addition to serving as defendant Consumer
24 Reward Network's sole officer and director, William Heichert had authority to control Defendants'

25
26
27 ¹² The office of "I Connect Communications" is used by its successor in interest, "Panel One
28 Corporation." (Second Smart Decl., ¶ 9, Exh. 4, p. 51) (December 13, 2005 lease amendment
states "The Name of the Tenant, I Connect Communications, Inc. in Section 1.03 of the said
Lease is hereby amended to reflect the new Nevada Corporation Panel One Corporation.").

1 domestic telemarketing call center, I Connect Communications. (Second Smart Decl., ¶ 9, Exh.
2 4, p. 49).

3 **Michael Cushing:** Evidence indicates that in addition to serving as defendant Consumer
4 Reward Network's sole officer and director, Michael Cushing is the listed as the "owner" of
5 Consumer Reward Network in an account application for Royal Printing. (Second Smart Decl.,
6 ¶ 42, Exh. 35, p. 354).

7 **Paul Tosi:** Evidence indicates that in addition to serving as defendant Consumer Reward
8 Network's sole officer and director, Paul Tosi is involved in Defendants' new corporate entities.
9 Paul Tosi is involved with Merchant Risk Management, (Second Smart Decl., ¶ 34, Exh. 27, pp.
10 338-42), is authorized to conduct business on All Star Access' behalf, (Second Smart Decl., ¶ 35,
11 Exh. 28, p. 344), served as the human resources manager and President of Defendants' domestic
12 telemarketing call center, I Connect Communications, (Second Smart Decl., ¶ 14, Exh. 9, pp. 250-
13 51), monitors the daily sales report for Pantel One Corporation (I Connect Communications'
14 successor), (Second Smart Decl., ¶ 32, Exh. 25, pp. 317-18), and is director of Defendants'
15 Philippines telemarketing call center, corporate defendant Connect2, Inc. (Second Smart Decl.,
16 ¶ 31, Exh. 24, p. 316).

17 The above evidence found in Defendants' business records and detailed in the Receiver's
18 Temporary Report sufficiently demonstrates an elaborate scheme whereby FTC is likely to show
19 that Individual Defendants directly participated in controlling, or had the authority to control,
20 Corporate Defendants in their commission of the alleged illegal activity. Furthermore, there is an
21 adequate showing that the newly-formed entities were created to continue the alleged illegal
22 activity in violation of the TSR. In light of such evidence, this Court finds that FTC has satisfied
23 its burden of proving a high probability of success on the merits on FTC's claim that Individual
24 Defendants provided substantial assistance and/or support to sellers or telemarketers when
25 Individual Defendants knew or consciously avoided knowing those sellers and/or telemarketers
26 were engaged in acts and/or practices that violate the TSR. FTC's evidentiary showing favors the
27 issuance of a preliminary injunction against Defendants.

28 2. The Balance of Equities Tips in Favor of Granting the Requested Relief.

1 Because the injunction will preclude only harmful, illegal behavior, the public equities
2 supporting the proposed injunctive relief outweigh any burden imposed by such relief on
3 Defendants. "A court of equity is under no duty 'to protect illegitimate profits or advance business
4 which is conducted [illegally].'" *CFTC v. British American Commodity Options Corp.*, 560 F.2d
5 135, 143 (2d Cir. 1977) (citations omitted).

6 C. The Individual Defendants May Be Held Liable for Injunctive and Monetary Relief.

7 The Individual Defendants control the business practices and the flow of money. They are
8 the signatories on the Corporate Defendants' bank accounts. Because they have authority to
9 control, participate in, and know about the Corporate Defendants' wrongful acts, they may be
10 enjoined from violating the FTC Act and the TSR, and held liable for consumer redress or other
11 monetary relief in connection with the companies activities. Preliminary relief, therefore, is
12 appropriate against each of the Individual, as well as the Corporate, Defendants to preserve the
13 Court's ability to impose permanent relief. *FTC v. Publ'g Clearing House*, 104 F.3d 1168, 1170
14 (9th Cir. 1997) (assuming the duties of a corporate officer is probative of an individual's
15 participation or authority).

16 D. An Asset Freeze, Appointment of a Permanent Receiver, and Continual Access to
17 Defendants' Business Records Are Necessary to Preserve the Possibility of
18 Effective Final Relief.

19 As part of the final recovery in this case, the FTC seeks redress for consumers who have
20 been victimized by Defendants' alleged telemarketing scam. *Ex Parte* TRO Application at 64.
21 To preserve the possibility of such relief, and to ascertain the extent of public injury caused by
22 Defendants, the FTC requests that this Court order a continued freeze of Defendants' assets and
23 appoint a permanent receiver.

24 This Court's authority to freeze assets arises from its inherent equitable power to order
25 consumer redress. *Gern Merchandising*, 87 F.3d at 469; *FTC v. Amy Travel Service, Inc.*, 875
26 F.2d 564, 571-572 (7th Cir.) (in a proceeding under § 13(b), district court has the "power to order
27 any ancillary equitable relief necessary to effectuate" its grant of authority), *cert. denied*, 493 U.S.
28 954 (1989); *Singer*, 668 F.2d at 1112-1113 (power to grant permanent injunctive relief carries with

1 it authority for ancillary equitable relief); *FTC v. Southwest Sunsites, Inc.*, 665 F.2d 711, 717-719
 2 (5th Cir.) (§ 13(b) permits court to exercise full range of traditional equitable remedies), *cert.*
 3 *denied*, 456 U.S. 973 (1982). Without an order freezing all assets, any subsequent order of
 4 disgorgement or redress by this Court could be rendered meaningless. Further, when a
 5 government agency is a movant, the mere "possibility" (as opposed to likelihood) of dissipation
 6 of assets is sufficient to justify a freeze. *Federal Sav. & Loan Ins. Corp. v. Sahni*, 868 F.2d 1096,
 7 1097 (9th Cir. 1989).

8 In addition to freezing the corporate assets, courts have frozen *individual* defendants'
 9 assets where the individual defendants controlled the deceptive activity and had actual or
 10 constructive knowledge of the deceptive nature of the practices in which they were engaged. *Amy*
 11 *Travel Service*, 875 F.2d at 573. Here, Defendants Brian MacGregor, Harijinder Sidhu, Joseph
 12 LaRosa, Pranot Sangprasit, William Heichert, Michael Cushing, and Manh Cao (collectively,
 13 "Individual Defendants") are the principals of the Corporate Defendants. FTC's Supplemental
 14 Brief, pp. 17-20; *Ex Parte* TRO Application at 64. They are the signatories on the Corporate
 15 Defendants' bank accounts. *Ex Parte* TRO Application at 64. Accordingly, the Individual
 16 Defendants control the alleged deceptive activity and are likely to have actual or constructive
 17 knowledge of the deceptive nature of the practices in which they are engaged.

18 This Court, however, views FTC's Proposed Preliminary Injunction Order overly broad as
 19 it prevents Defendants from accessing sufficient assets to mount a defense and to pay for the
 20 necessities of life such as food, lodging, child and health care. As the LaRosa Opposition
 21 demonstrates through signed declarations, the issuance of FTC's current Proposed Preliminary
 22 Injunction would unduly burden individual defendants Joseph LaRosa, Pranot Sangprasit, William
 23 Heichert, Michael Cushing, Paul Tosi, and Manh Cao such that said defendants would be unable
 24 to "meet crucial obligations, provide basic necessities of life for themselves and their family, or
 25 transition to new business endeavors." (The LaRosa Opposition, 14:22-26).¹³ The MacGregor
 26

27 ¹³ The LaRosa Opposition does not request a specific dollar amount to assist defendants
 28 Joseph LaRosa, Pranot Sangprasit, William Heichert, Michael Cushing, Paul Tosi, and Manh Cao
 with their "basic life necessities." Said defendants do, however, submit a declaration of attorney
 John M. Genga of Genga & Associates who has agreed to serve as their counsel at a rate of \$360

1 Opposition makes the same argument, but further maintains Brian MacGregor should be allowed
2 access to frozen funds to pay spousal and child support in the sum of \$10,000 per month; and that
3 Brian MacGregor and corporate defendant Membership Services Direct should be allowed to hire
4 counsel of choice at an hourly rate of approximately \$500. Similarly, the Sidhu Opposition
5 requests that Harijinder Sidhu have access to pay for reasonable living expenses in the estimated
6 amount of \$10,776.25 per month, and additional funds for reasonable attorneys' fees.

7 Courts have recognized the propriety of asset freezes allowing for "ordinary living
8 expenses," *FTC v. H.N. Singer, Inc.*, 668 F.2d 1107, 1113 (9th Cir. 1982), and permitting for the
9 services of legal counsel. *FTC v. World Wide Factors, Ltd.*, 882 F.2d 344, 347-48 (9th Cir. 1989)
10 ("If, out of concern for preserving funds for ultimate distribution to defrauded customers, the
11 district court wishes to limit the amount by which the frozen funds may be invaded for payment
12 of attorney fees, it should set a maximum total sum which may be withdrawn or it should establish
13 a minimum size to which the otherwise frozen assets may be reduced based upon appropriate
14 findings."). In light of prevailing Ninth Circuit law and in the interests of justice, this Court permits
15 a limited lift of the asset freeze with respect to individual defendants Joseph LaRosa, Pranot
16 Sangprasit, William Heichert, Michael Cushing, Paul Tosi, Manh Cao, and Harijinder Sidhu in the
17 sum total of \$2,500.00 each per month to pay for ordinary living expenses and attorneys' fees.
18 Brian MacGregor and corporate defendant Membership Services Direct are permitted to a limited
19 lift of the asset freeze in the collective sum total of \$5,000.00 per month to pay for ordinary living
20 expenses and attorneys' fees. In addition, on or before the fifth (5th) day of each month, Brian
21 MacGregor and Membership Services Direct shall, individually or through their respective counsel,
22 submit a "Monthly Statement Of Monies Received" to the Permanent Receiver that will be
23 accompanied with a signed declaration that the monies received as stated are true and accurate.
24 Furthermore, each defendant or that defendant's counsel shall submit a "Notice Of Expenditures
25 To The Permanent Receiver" on or before the fifth (5th) day of each month. Attached to the

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per hour.

1 "Notice Of Expenditures To The Permanent Receiver" shall be a signed declaration by the
2 defendant that the expenditures as stated are true and accurate.¹⁴

3 In addition to a preliminary injunction provision directing Defendants not to dissipate or
4 conceal assets, FTC seeks an order directing financial institutions and other third parties to freeze
5 Defendants' assets in their custody and control. This Court has the authority to direct its order
6 to such third parties to preserve assets that are easily dissipated and may be difficult or
7 impossible to trace. *Decker v. Independence Shares Corp.*, 311 U.S. 282, 289-90 (1940). In this
8 Court's prior order granting FTC's *Ex Parte* TRO Application, the Court froze Defendants' assets
9 in the custody and control of third parties as well as froze assets of third parties that were
10 purportedly generated or secured through the illegal conduct alleged in the Complaint.

11 The MacGregor Opposition and the Midwest Properties Opposition request that this Court
12 now unfreeze the assets of third-party corporation "Midwest Properties, Inc." and third party
13 individual Christine MacGregor¹⁵ (collectively, "Non-Defendants"). According to said oppositions,
14 there is no legitimate basis to freeze the assets of Non-Defendants because FTC 1) failed to
15 allege that Non-Defendants participated in or were aware of the deceptive practices stated in the
16 Complaint and 2) failed to sufficiently demonstrate the legal or evidentiary basis to permit an asset
17 freeze against Non-Defendants. This Court agrees. Upon review of the record, there are no
18 adequate grounds to justify freezing the assets of Non-Defendants at the present time. Although
19 FTC contends that Defendant Brian MacGregor transferred his ownership interest in several
20 valuable real property assets to his wife Christina MacGregor and her company, Midwest
21 Properties, Inc., in anticipation of claims on their assets,¹⁶ (*Ex Parte* TRO Application at 67; see
22

23 ¹⁴ The Permanent Receiver shall, in a timely manner, file before this Court the "Monthly
24 Statement Of Monies Received" and "Notices Of Expenditures To The Permanent Receiver"
submitted by Defendants.

25 ¹⁵ Christine MacGregor is the estranged wife of Brian MacGregor. (Midwest Properties
26 Opposition, 1:5-7). Christine MacGregor maintains that she owns and operates Midwest
27 Properties, Inc, which is a real estate company that invests in, renovates, and resells residential
real property in the State of California. (Midwest Properties Opposition, 1:10-12).

28 ¹⁶ According to FTC, the total value of these properties appears to exceed \$17 million. In
response, the Midwest Properties Opposition states that "the FTC vastly overstates the value of

1 also, Ex. 44, Smart Decl. ¶ 74 at 1615), and fraudulently made such transfers with no
 2 consideration, (Smart Decl. ¶ 74 at 1615; *see also Ex Parte* TRO Application at 50), FTC fails to
 3 satisfy its burden of showing a likelihood of success on the merits on its claims that Non-
 4 Defendants were involved any of the deceptive practices alleged in the Complaint. As such, Non-
 5 Defendants cannot be made a subject of requested preliminary injunction at this time, and are
 6 therefore stricken from the TRO issued in this case. This Court's present determination does not
 7 foreclose FTC from adding Non-Defendants as parties to the Complaint or demonstrating that
 8 a preliminary injunction is warranted against Non-Defendants upon the proper showing at a later
 9 date. With respect to other third parties designated in the Proposed Preliminary Injunction Order,
 10 issuing an injunction against them is appropriate in light of the strong indications of illegal activity
 11 presented in this case, the sufficient showing that FTC will prevail on the merits of its claims
 12 against them, and in an abundance of caution so as to preserve assets for effective final relief to
 13 aggrieved consumers.

14 As another means to preserve the *status quo*, Plaintiff seeks the appointment of a
 15 permanent receiver, who will locate and preserve corporate assets and records to reduce the
 16 threat of destruction, dissipation, or sequestration. A permanent receiver is appropriate "where
 17 necessary to prevent the dissipation of a defendant's assets pending further action by the court."
 18 *SEC v. American Bd. of Trade, Inc.*, 830 F.2d 431, 436 (2d Cir. 1987). Here, a receiver is
 19 necessary because of the likelihood that assets would otherwise be dissipated and records
 20 destroyed or concealed. Having reviewed FTC's Application For Preliminary Injunction, this Court
 21 finds appropriate to appoint Robb Evans & Associates LLP as the Permanent Receiver.¹⁷
 22 However, no receiver is appointed for Non-Defendants, as they are not a proper subject of FTC's
 23 Proposed Preliminary Injunction Order for the reasons discussed above.

24

25

26 the interests conveyed by, *inter alia*, ignoring recorded mortgages and encumbrances on the
 27 properties – the existence of which also were previously made known to the FTC in 2004." (Midwest Properties Opposition, 2:8-11)

28

¹⁷ Pursuant to this Court's previous Order granting FTC's Application For *Ex Parte* TRO, Robb Evans & Associates LLC has served as the *temporary* receiver in this case.

1 III. CONCLUSION

2 Based on the foregoing, the Court GRANTS the United States Federal Trade Commissions'
3 Application for Preliminary Injunction And Appointment Of Permanent Receiver. Plaintiff FTC is
4 to prepare a Proposed Preliminary Injunction With Asset Freeze, Appointment Of Permanent
5 Receiver, And Other Equitable Relief consistent with this Court's present ruling. This Court
6 appoints Robb Evans & Associates LLC as the Permanent Receiver. No security is required of
7 any agency of the United States for issuance of a restraining order. Fed. R. Civ. P. 65(c).

8
9 IT IS SO ORDERED.

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12 DATED:

3/14/06

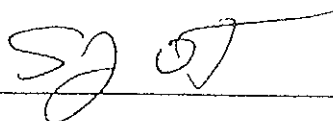
13 
14 S. JAMES OTERO, JUDGE
15 UNITED STATES DISTRICT COURT
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EXHIBIT H

ROBB EVANS & ASSOCIATES LLC
Temporary Receiver of
Universal Premium Services, Inc. AKA Premier Benefits, Inc.
Consumer Reward Network, Inc.
Star Communications LLC
Membership Services Direct, Inc. AKA Continuity Partners Inc.
Connect2USA, Inc., et al.
11450 Sheldon Street
Sun Valley, California 91352-1121
Telephone No.: (818) 768-8100
Facsimile No.: (818) 768-8802

Federal Trade Commission v. Universal Premium Services, Inc, et al.
CASE No. CV06-0849 SJO (OPx)

Report of Temporary Receiver for the Period from
February 22, 2006 Through March 3, 2006

Filed March 7, 2006

FILED

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6 Attorneys for Temporary Receiver

ROBB EVANS & ASSOCIATES LLC

8 UNITED STATES DISTRICT COURT

9 CENTRAL DISTRICT OF CALIFORNIA

10
11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 UNIVERSAL PREMIUM SERVICES,
15 INC., a California corporation (also
known as Premier Benefits, Inc.), et al.,

16 Defendants.

CASE NO. CV06-0849 SJO (OPX)

REPORT OF TEMPORARY
RECEIVER FOR THE PERIOD
FROM FEBRUARY 22, 2006
THROUGH MARCH 3, 2006

17
18 TO THE HONORABLE S. JAMES OTERO, UNITED STATES DISTRICT
19 JUDGE:

20 Robb Evans & Associates LLC as Temporary Receiver of Universal
21 Premium Services, Inc. aka Premier Benefits, Inc., Consumer Reward Network,
22 Inc., Star Communications, LLC, Membership Direct Services, Inc. aka Continuity
23 Partners, Inc., Connect2USA, Inc. and their subsidiaries and affiliates ("Receiver")

24 ///

25 ///

26 ///

27 ///

28 ///

1 herewith files his first Report to the Court, covering the period from February 22,
2 2006 through March 3, 2006.

3
4 Dated: March 7, 2006

McKenna Long & Aldridge LLP
Lesley Anne Hawes

6
7 By: 

Gary Owen Caris
Attorneys for Temporary Receiver
ROBB EVANS & ASSOCIATES
LLC

ROBB EVANS & ASSOCIATES LLC

Temporary Receiver of

Universal Premium Services, Inc. AKA Premier Benefits, Inc.

Consumer Reward Network, Inc.

Star Communications LLC

Membership Services Direct, Inc. AKA Continuity Partners Inc.

Connect2USA, Inc., et al.

REPORT OF TEMPORARY RECEIVER'S ACTIVITIES

FEBRUARY 22, 2006 THROUGH MARCH 3, 2006

This report covers the activities of the Temporary Receiver since the inception of the Temporary Receivership. This is the first Report to the Court on the progress of the Temporary Receivership. It does not constitute an audit of financial condition and is intended only to provide information for use by the Court in assessing the progress of the Receivership.

Overview

As more fully described in this report, the receivership defendants and their affiliates are a continually evolving group of entities. Although public documents and other information list a number of individuals as control parties for various entities, the companies function as a common enterprise offering the same or very similar products under the direction of Brian MacGregor.

Custody, Control and Possession

On February 22, 2006 the Temporary Receiver entered the companies' premises located at 3800 Howard Hughes Parkway, Suite 500 in Las Vegas. The name on the door was Merchant Risk Management. The Temporary Receiver located documents at this facility that listed Brian MacGregor as the president of this company.

The Plaintiff informed the Temporary Receiver of a location at 4699 Industrial Road, Las Vegas. This was a records storage facility for the receivership defendants.

From interviews and documents located at Merchant Risk Management, the Temporary Receiver learned of two additional locations that were not listed in the Temporary Restraining Order.

2800 West Sahara Blvd., Suite 7C, Las Vegas was the location of the companies' information technology staff.

The Temporary Receiver was advised that an unrelated company located at 4340 South Valley View Blvd., Suite 224, Las Vegas was performing customer service. Pantel One Corporation (Pantel) was the name listed on the door. The Temporary Receiver served the Temporary Restraining Order on the customer service manager of this facility. The customer service manager told the Temporary Receiver that Pantel was not related to the receivership defendants. Defendant Joseph LaRosa also told the Temporary Receiver that Pantel was a separate and independent company. The customer service manager provided the Temporary Receiver with a booklet of Pantel's clients. All of Pantel's clients were related to the receivership defendants or their affiliates. Later in the day, the Temporary Receiver discovered documents at the Howard Hughes facility that showed defendant Pranot Sangprasit paid for the formation of Pantel. Another document located by the Temporary Receiver was a "Resolution and Appointment to Act on Behalf of Corporation" where defendant Joseph LaRosa was appointed to act on behalf of Pantel (Tab 1).

The door locks controlling access to the four facilities were changed and the Temporary Receiver took control of the mail through the U.S. Postal Service.

On February 22, 2006 the Temporary Receiver entered the office located at 21241 Ventura Blvd., Suite 253, Woodland Hills, CA 91364. Defendant Harjinder Sidhu maintains his office at this location. In addition to Mr. Sidhu's office, the space was occupied by parties apparently unrelated to the receivership defendants' businesses. The Temporary Receiver took control of the receivership defendants' documents and the electronic and hard copy books and records.

Mr. Sidhu informed the Temporary Receiver that he was the President, Secretary, and Treasurer of Connect2USA, Inc. and described his responsibilities primarily as tax return preparation for the receivership defendants.

Receivership Defendants and Affiliated Entities

The receivership defendants have used a series of corporate entities, including the five corporate defendants named in this action, to conduct business operations. The receivership defendants have created a number of affiliated entities and seem to have a pattern of transforming the public presence of companies through a series of name changes and newly created corporate entities. The Temporary Receiver reviewed public records maintained by the Secretaries of State in California, Nevada, Wyoming and Colorado, as well as corporate documents located at the offices of Merchant Risk Management, Inc.

Blitz Media, Inc. was incorporated in Nevada on December 17, 1999. The individual defendant Brian MacGregor was listed as the sole officer and director.

Continuity Partners, Inc. (CPI) was incorporated in Nevada in June 2001. CPI's sole officer and director is defendant Brian MacGregor.

Midwest Properties, Inc. was formed in California in 2003. Christine MacGregor, the wife of defendant Brian MacGregor, is the President.

Prime Time Ventures, Inc. was incorporated in Nevada on March 17, 2003. On June 16, 2005, Joseph LaRosa paid fees of \$2,775 to the registered agent using Mr. LaRosa's company-furnished American Express credit card. On October 24, 2005, the registered agent, Nevada First Holdings Inc., sent via facsimile to Pranot Sangprasit a "Resolution and Appointment to Act on Behalf of the Corporation" authorizing Malik Calimbis to act on behalf of Prime Time Ventures, Inc.

Premier Benefits, Inc. (Premier Benefits) was incorporated in California in May 2004. Premier Benefit's sole officer and director is defendant Pranot Sangprasit.

Connect2USA, Inc. (Connect2) was incorporated in Nevada in May 2004. During the course of interviewing employees, the Temporary Receiver was informed that Connect2 runs most of the business operations of Continuity Partners, Premier Benefits, Consumer Reward Network and Star Communications. Connect2's sole officer and director is defendant Harijinder Sidhu.

I-Connect Communications, Inc. (I Connect) was formed in Nevada in May 2004. Until March 2005, I Connect's sole officer and director was defendant Sidhu. Since March 2005, the individual defendant, Paul Tosi was the sole officer and director.

Impact Marketing Inc. (Impact Marketing) was incorporated in Wyoming on July 19, 2004. The corporation kit for Impact Marketing was sent to the attention of Pranot Sangprasit.

Consumer Reward Network, Inc. (Consumer Reward Network) was incorporated in California on July 27, 2004. Consumer Reward Network's business records identify the President variously as defendants Sidhu, Heichert, Cushing and Tosi. As of September 21, 2005, defendant Paul Tosi was listed as the sole officer and director. Consumer Reward Network listed the following fictitious names: Auto Gold, Net4Ever, Health Network Unlimited and Mega Movie Club.

Star Communications LLC (Star Communications) was formed in California in February 2005. The individual defendant, Manh Cao, is listed as Star Communications' Manager, President, and CEO.

Pantel One Corporation was incorporated in Nevada on May 5, 2005. On December 9, 2005, Pranot Sangprasit paid \$2,225.00 using MasterCard #5416572806428988 to pay fees to the registered agent. On May 16, 2005, Charles F. Bain signed a Resolution and Appointment to Act on Behalf of the Corporation, authorizing Joseph LaRosa to act on behalf of the corporation.

Based on a review of corporate documents, the Temporary Receiver determined that Merchant Risk Management Inc. (Merchant Risk) originated as a shell corporation, White Cloud Management, Inc., which was incorporated in Nevada on June 18, 2002.

White Cloud Management's name was changed to Fiori Enterprises, Inc., on June 24, 2003. Fiori Enterprises was 100% owned by Connect2 Philippines as of July 11, 2005. Defendant Paul Tosi signed on behalf of Fiori Enterprises on July 12, 2005. On November 29, 2005, the name of Fiori Enterprises was changed to MRM. A corporate resolution dated July 21, 2005, authorizes defendant Joseph LaRosa to act on behalf of the corporation.

Mammoth Consulting Group LLC was organized in Nevada on July 19, 2005. Defendant Joseph LaRosa is listed as the Manager.

All Star Access, Inc. (All Star Access) was formed in Colorado on October 21, 2005. The corporate mailing address was listed as 700 N. Colorado Blvd., #338, Denver, CO 80206, which the Temporary Receiver believes to be a mail drop. Pranot Sangprasit is listed as the sole officer and director. A resolution from the officers and directors dated December 30, 2005, purports to appoint defendant Paul Tosi to act on behalf of the Corporation and authorizes Mr. Tosi to perform all acts including executing documents on behalf of the Corporation.

On the day the Temporary Receiver took control of the offices of MRM, a Federal Express package containing the corporation kit for World Era Development Ltd. was delivered. The package was addressed to defendant Pranot Sangprasit. The Temporary Receiver located a Declaration of Trust dated December 12, 2005 between Applecross Ltd., 60 Market Square, Belize City, Belize, as Trustee and Pranot Sangprasit as Beneficiary. The document shows that Mr. Sangprasit owns one share in World Era Development Ltd., incorporated under the laws of Hong Kong and the Trustee is to register the share in the Trustee's name.

Transformation of Entities

The Temporary Receiver considers the continuous transformation of companies troubling. Based on a review of corporate email, notes of meetings and interviews, the Temporary Receiver believes the pattern of transforming corporate entities and renaming existing products, without actually changing the products, is a conscious decision by management to create the illusion of a new company with new products when, in fact, it is a continuation of the same business. The length of time and the number of companies and products included document the intensity and breadth of this effort to re-market the same products.

The Temporary Receiver reviewed email between defendant MacGregor, defendant LaRosa and other employees discussing potential new product names (Tab 2). A note indicates that the new names will simply be placed "in the old layouts" and sent to the printers. Notes of meetings with senior management indicate a recent discussion took place about identifying "generic" names for new corporate entities. The receivership defendants and their affiliates used a series of mail drops and post office boxes for publication to the consumers. One of the mail drops acquired recently is being used in conjunction with products sold for All Star Access, Inc. The mail drop is at 700 North Colorado Blvd., #338, Denver, Colorado 80206. The Temporary Receiver located numerous consumer complaints addressed to All Star Access in the offices of Pantel.

The Temporary Receiver has not been able to locate one instance where the receivership defendants disclosed their permanent business addresses to the consumers being solicited.

The Temporary Receiver conducted interviews of the property managers at several locations. Two of the property managers were surprised to learn that the entity presently occupying their premises were different entities than the ones that entered into the lease. For example, when the Temporary Receiver entered the premises located at 4340 South Valley View, Suite 224, Las Vegas, Nevada, signs on the door read "Pantel One Corporation." The original lease was in the name of Connect2USA, but Connect2 was crossed out by hand and changed to I Connect Communications, Inc. Joseph LaRosa executed the lease as the General Manager of I Connect. The property manager was not aware that Pantel occupied the building until the Temporary Receiver conducted its initial interview. Likewise, the property manager at the Howard Hughes Center expressed concern that the original lease on the corporate offices at 3800 Howard Hughes Parkway, Suite 500, Las Vegas, Nevada was executed with Connect2USA and the current tenant is Merchant Risk Management.

In April 2005, CPI changed its name to Membership Services Direct, Inc., but still continues to conduct business as CPI.

Recently, Consumer Reward Network changed its name to Best Buy Alliance, Inc. On February 9, 2006, Shabir Momin, President and Secretary of Consumer Reward Network, signed a Certificate of Amendment of Articles of Incorporation changing the name to Best Buy Alliance. The name change was filed with the California Secretary of State on February 21, 2006. The address listed for Best Buy Alliance is 6320 Canoga Avenue, Suite 1500, Woodland Hills, California 91367.

The Temporary Receiver conducted a search of public records for entities controlled or otherwise owned by the individual defendants in addition to the entities discussed above. Defendant Brian K. MacGregor was listed as the sole officer, director or member of Integrated Continuity Solutions, Inc., UTALK Unlimited Inc., Membership Services Direct, Inc., abetterprice.com LLC, Digital Direct Commercial Productions LLC, Infopower International LLC, and Wholesale Discount Health Plan. Defendant Pranot Sangprasit was listed as the sole officer, director or member of Sequence LLC, P & L Marketing Group, and Synergy Marketing Group LLC.

Business and Telemarketing Operations

Through its General Manager, Merchant Risk stated that it provided services, including processing and collecting electronic checks drawn on accounts of consumer customers, for related companies. The company also maintained partial accounting records for these related companies in its accounting software and paid certain invoices. The payments were primarily for fees for offshore telemarketing services, for leads furnished to the telemarketing centers, payroll for Merchant Risk and for Pantel, and distributions to other individual or corporate defendants.

According to Merchant Risk, and confirmed by business records reviewed by the Receiver, Merchant Risk took over the activities and most of the employees of Connect2 USA effective January 1, 2006. Business records and discussions with employees indicate that Pantel also became active effective January 1, 2006 and took over customer service and complaint calls that required a supervisor's intervention, and a smaller outbound sales operation that began May 2005 or earlier.

Seven other companies existed to offer products to consumers through offshore telemarketing centers and the single Las Vegas center. As discussed later in more detail, the companies used different addresses, telephone numbers, web sites, and product names to promote about 11 products, often labeled with two or three different names but having identical or very similar features.

While reviewing electronic, hard copy documents, and other information at the premises of Merchant Risk and Pantel, the Temporary Receiver located mailing and marketing materials for many of the products promoted to consumers. In addition, the Temporary Receiver also located the sale scripts furnished to the offshore telemarketing centers and the save scripts used by the employees of Pantel handling complaint and service calls.

Telemarketing Operations

Based on the review of documents and business records completed to date, the Temporary Receiver has determined that seven companies or more, all identified with different names, addresses, web sites, and toll free telephone numbers, had a basket of 11 products promoted with different names through more than 150 different offshore calling centers. The records indicate that since December 1, 2005, four companies are actively promoting nine products under 15 different names, through 13 offshore calling centers and a calling center in Las Vegas. Records for January 3, 2006 state that 277 callers from India, outfitted with English alias names (Tab 3), were promoting the basket of products of the different companies to consumers on the AM shift. Records forwarded from the call center's quality assurance department for December 30, 2005 document 1,093 sales for the day, with 881, or 81% considered valid sales.

Under Tab 4 is a schedule of the companies and the products they offer through the call centers. Included in the schedule is a description of the products that are identical, or very nearly identical, to each other. Additionally, the Temporary Receiver located records documenting recently formed companies or changes to existing corporate names.

- In October 2005, All Star Access was formed as a Colorado corporation and began marketing products, renamed by Brian MacGregor, that were previously promoted by Consumer Reward Network. See Tab 2.
- In December 2005, World Era Development, a Hong Kong Corporation, was formed. The Temporary Receiver did not locate marketing activity.

- In February 2006, the name of Consumer Reward Network was changed with the Secretary of State to Best Buy Alliance, Inc. The Chief Executive Officer was changed from Paul Tosi to an individual in New Delhi, India.
- In July 2004, Impact Marketing, Inc. was formed as a Wyoming Corporation. Although the Internal Revenue Service issued an Employer Identification Number in November 2005, the Temporary Receiver did not locate marketing activity.

The production of the call centers is managed by Anzali, Inc. The Temporary Receiver is developing further information on this entity. The call centers for the Universal-affiliated companies were managed daily by a group of persons located in Washington, Utah, but supervised by an individual who often resides in India. Merchant Risk receives invoices, usually weekly, from Anzali, Inc. for services calculated on a volume pay rate, and pays them on behalf of the individual companies. Merchant Risk pays the payroll for Pantel based on submissions from Paul Tosi, shown as the Manager of Human Resources for Pantel.

Elements and Operation of the Sales Scripts

Merchant Risk provides sales scripts to the call centers. Letters to and from Anzali state call center employees are monitored and counseled if they deviate from the prepared script. The Temporary Receiver studied seven of the sales scripts and observed they are all virtually identical in format and text. Only the name, and sometimes the price, of the products are different.

The script was created with two sections. The first section has three parts. Part one offers gift cards or rebate coupons, stated to be worth \$200 to \$500, for a shipping and handling fee of between \$4.95 and \$8.95, but requires the consumer to review a program risk-free for seven to ten days. Part two obtains the consumer's bank routing and account number. Part three explains, after getting the bank account information, that the offered program actually costs from \$19 to \$59 a month, plus a \$79 to \$204 set-up fee, but may be cancelled during the seven to ten day risk-free review period.

The second section is the verification process. It confirms the sale of the initial product or service and then introduces two additional products, also presented with a risk-free review period. These additional products are presented via a recording. According to records available to the Temporary Receiver, 60% to 80% of the consumers at this stage of the sales process accept the two additional sales. To summarize, the successful presentation of one product leads to two other offers for products and services. The payment of set-up fees (except for Amazing Washball) ranging from \$79 to \$204, and continuing monthly membership fees (except for Net Saver, Net4Ever and Auto Gold) of \$19 to \$59, are triggered after a short review period, usually 10 days or less. Total yearly expenses for the offered products range from \$204 to \$839.

Products Offered

The sale scripts, mailing materials, business records, and documents indicated seven companies were selling the following products. The database records of processed orders show that Blitz-Media, Inc., Continuity Partners, Inc. and Premier Benefits have not sold products through the call centers since December 1, 2005. (Refer to the Summary of Programs / Product by Companies under Tab 4.)

- American Values and Buyer's Union are identical programs offered by Blitz-Media, Inc., Continuity Partners, Inc. and Premier Benefits, Inc.
- U-Talk Unlimited, Call One Unlimited, and Star Communications are identical programs offered by Continuity Partners, Inc., Premier Benefits, Inc., and Star Communications, LLC.
- Wellnet America, Health Network Unlimited and Healthcare Plus are identical programs offered by Blitz-Media, Inc., Continuity Partners, Inc., Consumer Reward Network, Inc., and Prime Time Ventures, Inc.
- Premier Movie Pass Unlimited, Movies Unlimited, and Mega Movie Club are identical programs offered by Premier Benefits, Inc., All Star Access, and Consumer Reward Network, Inc.
- Family Fun Pass and That's Entertainment are similar programs offered by Star Communications, LLC, and Prime Time Ventures, Inc.
- Vacant Sun, Fantasy Vacations, Deluxe Holidays, and VIP Holidays are identical programs (VIP has two additional features for a higher fee) offered by Star Communications, LLC, All Star Access, and Prime Time Ventures, Inc.; Vacant Sun was offered by Blitz-Media, Inc.
- Net Saver and Net4Ever are identical programs offered by All Star Access, and Consumer Reward Network, Inc.
- Amazing Washball is a product with one name offered by Continuity Partners, Inc.
- Half Price TV is a product with one name offered by Star Communications, LLC.
- Auto Gold is a product with one name offered by Consumer Reward Network, Inc.
- Protection Plus is a product with one name offered by Prime Time Ventures, Inc.

A test sales script located and read by the Temporary Receiver indicated that a new company may be introducing a new product. A file titled Prime Point MasterCard Test script 020806.doc, which was last modified February 21, 2006, introduces the Debut pre-paid MasterCard offered through Prime Point Systems. The format of the sales script is the same as the earlier described scripts and includes two additional products offered during the verification process. The details of the proposed pre-paid MasterCard are discussed later.

Details of the Products Offered

American Values and Buyer's Union are offered to consumers either as the initial product or as one of two additional products promoted during the verification process. Both are a Discount Directory allowing customers to call a buying service to place orders at claimed wholesale prices. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
American Values	\$19.95	\$159.90	\$399.30
The Buyer's Union	\$19.95	\$199.90	\$439.30

U-Talk Unlimited, Call One Unlimited, and Star Communications are offered to consumers either as the initial product or as one of two additional products promoted during the verification process. The three programs provide a \$300 cell phone rebate at \$25 a month after submitting a form, unlimited dial-up internet service, and an unlimited long distance calling card. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
U-Talk Unlimited	\$39.95	\$99.95	\$579.35
Call One Unlimited	\$49.95	\$99.95	\$699.35
Star Communications	\$49.95	\$199.90	\$799.30

Wellnet America, Health Network Unlimited and Healthcare Plus are offered to consumers either as the initial product or as one of two additional products promoted during the verification process. The three programs provide discounts of 30% to 40% for medical and dental services from referred medical providers and 40% discounts from participating pharmacies. Consumers would need to incur expenses of about \$1,400 and receive a 40% discount to earn back the disclosed fees. The sale scripts disclose identical fees for the three programs:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
The Three Programs	\$29.95	\$199.90	\$559.30

Premier Movie Pass Unlimited, Movies Unlimited, and Mega Movie Club are offered to consumers either as the initial product or as one of two additional products promoted during the verification process. The three programs provide mail-in free movie tickets at selected theatres, rebates for up to 48 DVD rentals, 24 popcorn expense rebates, and 12 rebates for pay-per-view movies. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Premier Movie Pass Unltd	\$19.95	\$99.95	\$339.35
Movies Unlimited	\$19.95	\$199.90	\$439.30
Mega Movie Club	\$19.95	\$199.90	\$439.30

Family Fun Pass and That's Entertainment are offered to consumers either as the initial product or as one of two additional products promoted during the verification process. Both offer mail-in discounts or rebates for movies, concerts, theme parks, popcorn and also a discount for magazine and FTD orders. The rebates range from \$7 to \$25, with availability ranging from every 14 to 90 days. Discounts include 40% off movie tickets and one free single day pass to a theme park. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Family Fun Pass	\$29.95	\$199.90	\$559.30
That's entertainment	\$35.95	\$139.90	\$571.30

Vacant Sun, Fantasy Vacations, Deluxe Holidays, and VIP Holidays are offered to consumers either as the initial product or as one of two additional products promoted during the verification process. The three programs provide a free cruise to the Caribbean, depending on cruise line availability, after paying dues for a year. The program also provides for \$25 rebates every other month for airplane travel, and a hotel/restaurant discount book. VIP Holidays also offers a long distance calling card and unlimited dial-up internet service. Vacant Sun apparently was offered by Blitz-Media, Inc. only as an additional product. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Vacant Sun	\$-0-	\$99.95	\$99.95
Fantasy Vacations	\$29.95	\$199.90	\$559.30
Deluxe Holidays	\$29.95	\$199.90	\$559.30
VIP Holidays	\$59.95	\$119.90	\$839.30

Net Saver and Net4Ever are offered to consumers either as the initial product or as one of two additional products promoted during the verification process. Both offer \$200 mail-in rebates spread over 12 months for concerts, sporting events, and theatres. There is also unlimited dial-up internet service. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Net Saver	\$-0-	\$204.00	\$204.00
Net4Ever	\$-0-	\$204.00	\$204.00

Amazing Washball was a program offered by Continuity Partners Inc. since 2003, with sales reducing to much lower levels in 2005. The program offered a plastic ball with a 30-day supply of detergent beads, with three balls shipped every 90 days. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Amazing Washball	\$21.90	\$-0-	\$262.80

Half Price TV is offered to consumers either as the initial product or as one of two additional products promoted during the verification process. It offers a monthly mail-in rebate of half a cable or satellite bill including internet service, up to \$75. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Half Price TV	\$19.95	\$199.90	\$439.30

Auto Gold is offered to consumers either as the initial product or as one of two additional products promoted during the verification process. It offers 24-hour roadside assistance reimbursement, auto repair quotations, legal advice and discounted legal services, and a reservation service. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Auto Gold	\$-0-	\$399.80	\$399.80

Protection Plus is offered to consumers either as the initial product or as one of two additional products promoted during the verification process. It offers a variety of rebates including eight \$25 rebates for appliance service calls (submitted every 45 days), one \$50 rebate for a home lockout, one \$100 rebate for a robbery, four \$25 rebates for glass replacements (submitted every 90 days), one \$100 fire accommodation refund, four \$30 warranty purchase refunds (submitted every 90 days), and one excess refund if utilities increase over 5% in a year. The sale scripts disclose the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Protection Plus	\$39.95	\$79.95	\$559.35

Debut MasterCard (Proposed) is described in a test sale script as a pre-paid MasterCard (the card must be pre-loaded with funds from the user). There are no other features. During the verification process, the consumer is offered additional pre-paid MasterCards for the same \$9.95 monthly maintenance fee with 50% off the set-up fee. The second product offered during the verification process is a five-day free trial of ValueNet Long Distance. The program offers a \$200 cell phone rebate at \$25 a month after submitting a form, unlimited dial-up internet service, and an unlimited long distance calling card. The test sale script disclosed the following fees:

<u>Name</u>	<u>Monthly Fee</u>	<u>Set up Fees</u>	<u>Total Yearly Fees</u>
Debut MasterCard (Proposed)	\$9.95	\$69.95	\$189.35
ValueNet Long Distance (Proposed)	\$29.95	\$99.95	\$459.35

Additional Sales During the Verification Process

The presentation of additional products during the verification process dramatically increases the consumer's potential financial commitment. The transfer from the introduction of a modest shipping or handling charge of \$4.95 to \$8.95 to an automatic commitment for \$100 to \$800 occurs during the recording of the sale verification. Then the recorded presentation of two additional products, with an automatic financial commitment if accepted, can potentially double or triple the cost to the consumer (\$300 to \$2,400). Reports from the calling centers calculate that 60% to 80% of the sale transactions include additional sales, referred to as upsales. See Tab 5 for a sample of sales reports documenting upsale results.

Save Scripts Used by Supervisory Customer Service

The receivership defendants also provided specific scripts for use when a consumer contacts customer service and attempts to cancel an order. The scripts are referred to as "save scripts." The Temporary Receiver studied the save scripts for fourteen products and again observed that all are virtually identical in format and text.

The save scripts instruct the service representative to not allow any cancellation while the consumer's payment is "processing" and instructs the consumer to call back to cancel when the materials are received. This delay allows the charge to the consumer's bank account to be completed. The save scripts also provide up to four options that a customer service representative can use to prevent the customer from canceling his order. The first save option offers \$100 in gas rebates. The second save option offers to waive one month of the customer's membership fee. The third save option offers to cancel the set-up fee. The fourth option requires the customer service agent to state, "All right, you're one tough customer" and then offers a certificate for a digital camera, redeemable after three months of payments. Ten of the products use all four options in their save scripts and the remaining four products only used the second and third option in their save scripts.

The Temporary Receiver reported that database records of processed orders showed that Continuity Partners, Inc. and Premier Benefits, Inc. have not sold products through the call centers since December 1, 2005. This is consistent with our findings that there were not any save scripts for either entity in the current customer service manual located at Pantel One.

Consumer Complaints

The addresses provided by the receivership defendants to consumers are post office boxes or other mail drops. The Temporary Receiver is not aware of one instance where the

receivership defendants disclosed their permanent business locations or telephone numbers to consumers. Specific mail drop locations are assigned to the various entities offering products to consumers. The Temporary Receiver has taken steps to take control of the mail sent to all mail drops and corporate offices.

The Temporary Receiver took possession of two boxes of incoming mail that were forwarded to Merchant Risk. The mail was forwarded from two UPS mail stores. The first UPS store was in Denver, Colorado and forwarded mail addressed to All Star Access, Inc., 700 North Colorado Blvd., #338, Denver, Colorado 80206. The second UPS store was in Canoga Park, CA and forwarded mail addressed to Consumer Reward Network and Star Communications at 6433 Topanga Canyon Blvd., P. O. Box 402, Canoga Park, CA 91303.

The two boxes contained 540 pieces of mail received over a five-day period. This mail provided an opportunity for the Temporary Receiver to take a snapshot of the amount and type of consumer complaints received by the receivership defendants. This small sample may not be representative of the amount of consumer complaints received throughout the year, but based on additional mail received by the Temporary Receiver, it is a fair representation of the type of complaints received from consumers.

Ninety-Five percent (95%) of the mail was complaints from consumers. There were also five complaints from Better Business Bureaus, fifteen inquiries from State Attorneys General and one complaint from the Federal Communications Commission. The following statements reflect the type of comments contained in the consumer complaints:

- I have been charged fees over and above the shipping and handling fee of \$4.95 without my authorization.
- You have charged me additional fees during the "trial period."
- I have tried repeatedly, but have been unable to reach customer service at the 1-800 number provided in order to cancel during the "trial period."
- I was charged additional fees after I cancelled the membership.
- You promised me a refund and I have never received it.
- I have repeatedly requested that you stop calling me.
- I have not received my refund despite numerous calls and letters.

The Temporary Receiver noted one letter from a consumer that had unsuccessfully attempted to obtain a refund since June 2004. Another consumer claimed that as a result of his account being overdrawn by unauthorized withdrawals he bounced rent and utility payments and was forced to leave his home and had no place to go with his wife and two minor children.

The Temporary Receiver also took control of about 100 pounds of mail from the UPS store in Canoga Park, CA. The three boxes contained about 1000 pieces of mail. This mail provided an opportunity for the Temporary Receiver to take an additional snapshot of the amount and type of consumer complaints received by the receivership defendants. This small sample, taken from addresses across the United States, may not be representative of the amount of consumer complaints received throughout the year. However, the letters read almost universally complain about unauthorized withdrawals from bank accounts, failure to acknowledge and process cancellations, and demands to return funds taken from bank accounts, often several hundred dollars.

According to discussions with employees and reviewing company records, Connect2 Inc. was a Philippine company located in Manila. The company previously contracted with Connect2 USA to answer complaint and customer service calls for the products Buyer's Union, Call One, and Premier Movie Pass that were marketed by Premier Benefits, Inc. The Temporary Receiver reviewed Billing Statements prepared by Connect2 Inc. for the four weeks from September 19, 2005 through October 16, 2005. Connect2 Inc. responded to about 10,600 incoming calls.

Financial Information

Product Sales and Returns

Under Tab 6 is a compilation of the receivership defendants' and their affiliates' sales activity from 1998 through February 21, 2006. The Temporary Receiver was informed by the companies' information technology staff that a computer conversion from one software program to another software program took place in 2001. The Temporary Receiver was also informed that the companies maintained two separate order entry programs for some period of time. Much of the data prior to 2002 was not converted to the new system. Therefore, the Temporary Receiver used the company tax returns for sales and return information prior to 2003. The 1998 tax return indicates it was self prepared, but the Temporary Receiver has not located a signed copy. The 1999 tax return was prepared by Mr. Sidhu, but the Temporary Receiver has not located a signed copy. The tax returns for 2000, 2001, and 2002 were all signed by Brian MacGregor.

Over the life of the companies, sales were nearly \$250 million. There were charge backs, consumer initiated returns, and company generated refunds totaling about \$99.5 million or approximately 40% of the total sales.

Bank Accounts

Under Tab 7 is a list of bank accounts that have been identified and frozen. To date, \$2,752,431 has been frozen in accounts of the receivership defendants and their affiliates.

As detailed above, the Manager of Mammoth Consulting Group LLC (Mammoth) is Joseph LaRosa. Under Tab 8 is a compilation of bank statements for the period from September 7, 2005 through February 24, 2006 that the Temporary Receiver obtained from Wells Fargo. Total deposits for this time period were \$1,542,348.86. Except for six unidentified deposits totaling \$29,976.40 and interest income of \$2,320.46, all of the funds deposited to this account were derived from the receivership defendants and their affiliates. The signatories on this account are Brian MacGregor and Joseph LaRosa.

The Temporary Receiver has been advised of pending litigation involving one of the receivership defendants' bank accounts. Premium Benefits, Inc. and Consumer Reward Network, Inc. v. First Regional Bank, Internet Transaction Services, Inc. dba Intertrans.com, Electronic Clearing House, Inc., Edward Courdy and Does 1 through 10, is pending in the Los Angeles Superior Court, West District, Case No. SC 085538. The plaintiffs in the action are represented by an attorney in Santa Monica, CA, Timothy R. Bice.

The first amended complaint asserts causes of action for breach of contract, general negligence, breach of fiduciary duty, conversion, fraud and common counts for money had and received arising out of an alleged agreement to provide merchant electronic payment processing services for the plaintiffs in connection with plaintiffs' telemarketing business. The complaint alleges that the parties entered into an oral contract by which the defendants would establish bank accounts at First Regional Bank for the benefit of Premier Benefits and Consumer Reward Network and provide electronic funds processing for plaintiffs' merchant transactions. Among other things, the complaint alleges the agreement was breached by defendants' failure to establish accounts at First Regional Bank for the plaintiffs and by defendants' freezing sums in the possession of defendants paid on account of transactions that should have been processed for plaintiffs and refusing to pay those sums to Premium Benefits and Consumer Reward Network and to make refunds to consumers. The complaint also alleges that the defendants improperly processed transactions from telephone "cold calls" in violation of banking and other regulations which plaintiffs claimed to have been unaware of. The complaint claims the defendants are liable to Premium Benefits for the sum of \$597,569.80 and Consumer Reward Network for the sum of \$98,607.50. The Temporary Receiver is informed that the plaintiffs sought and obtained an unopposed writ of attachment by which First Regional Bank has turned over approximately \$450,000.00 to the custody of the Los Angeles County Sheriff pending resolution of the lawsuit.

Counsel for the plaintiffs advised the Temporary Receiver's counsel that the defendants filed demurrers and motions to strike portions of the first amended complaint, which were set for hearing on February 27, 2006. The basis of the demurrers was that the contract upon which the action is based is an illegal contract that is unenforceable under applicable California law based on plaintiffs' attempt to process telephone "cold call" transactions in violation of

applicable banking and other regulations. The Los Angeles Superior Court was provided with a copy of the Temporary Restraining Order by counsel for plaintiffs at the hearing, and the Receiver has been advised that the Court stayed the action and would not rule on the pending demurrers and motions to strike in light of the Temporary Restraining Order. The Temporary Receiver and its counsel have not had an opportunity to more fully assess the merits of the plaintiffs' claims and the likelihood of recovery.

Accounting Information

The accounting records of the entities are hopelessly commingled and are fraught with inaccuracies. The accounting system lists accounts payable, after adjusting out inter-company entries, at about \$2.1 million. The Temporary Receiver has not been able to validate the true accounts payable balance. The accounting records also document that the receivership defendants and affiliated companies paid, during the period August 2, 2005 to February 10, 2006, \$68,395 to Synergy Marketing Group, LLC, a company owned by Pranot Sangprasit. The Temporary Receiver has begun to analyze some of the larger payments to determine the use of funds.

Payments to Brian MacGregor and Christine MacGregor

Under Tab 9 is a schedule of payments to Brian and Christine MacGregor. This data was obtained from tax returns and from the companies' books and records. From 2000 through February 2006 total payments to Brian and Christine MacGregor were \$5,524,092.

Other Assets

On February 22, 2006, the Temporary Receiver entered Three Turnberry Place and interviewed the Executive Manager. Turnberry Place is luxury high-rise condominium project with four towers near the center of Las Vegas. The Court Order listed 2747 Paradise Road, Unit 104, Las Vegas, Nevada 89109 as a corporate condominium. On September 14, 2004, Connect2 leased Unit 104 commencing on October 1, 2004 and terminating on September 30, 2005. Brian MacGregor occupied the unit and listed Harry (Harijinder) Sidhu, Christy Rector and Joseph LaRosa as additional persons permitted to occupy the unit.

Shortly after the lease terminated on Unit 104, Brian MacGregor purchased a unit in the same building. On November 18, 2005, Brian MacGregor purchased Unit 1104 at 2747 Paradise Road for \$1,010,000. The Temporary Receiver located a "Condominium Rental Agreement" at the MRM offices wherein Brian MacGregor, as Lessor, agreed to lease to Mammoth Consulting Group, as Lessee, Unit 1104 for \$5,500 a month. Joseph LaRosa executed the lease on behalf of Mammoth Consulting Group, but Brian MacGregor had not executed the agreement as owner. The Temporary Receiver will investigate the source of funds used to purchase the unit, the existence of an underlying mortgage and the amount of equity.

The Temporary Receiver located documents suggesting that Continuity Partners Inc., may own two vehicles, a 2004 GMC Yukon and a 2005 Mercedes SL55 AMG. The Temporary

Receiver will continue to trace assets by reviewing various financial records and bank statements of the Receivership Defendants.

The Temporary Receiver is aware of the existence of Midwest Properties, Inc., the company owned by Christine MacGregor, and the allegation that Brian MacGregor fraudulently transferred approximately \$17 million in real property assets to his wife. The Temporary Receiver will carefully review these transfers and the source of funds used to acquire the property to determine if the real property can be claimed as an asset of the estate.

Respectfully submitted,


Robb Evans & Associates LLC
Temporary Receiver

TAB 1

Pantel One Corporation


Incorporated under the Laws of the State of Nevada

Resolution and Appointment to act on behalf of the Corporation

At a meeting of the Officers and Directors on the 16th day of May, 2005, duly called in accordance with the By-laws of the Company and held at the offices of the Company at 1117 Desert Lane, Suite 1485 Las Vegas, NV 89102, it was:

Resolved that Joseph LaRosa is hereby appointed to act on behalf of the Corporation and is hereby authorized to execute substantially, all agreements and additional documentation required to perform all banking and financial services on behalf of the Corporation and to execute checks, drafts, notes and obligations, to borrow money and to commit the assets of the Corporation as security for any borrowings and to do all things necessary and proper and as required to do and accomplish all acts on behalf of the Corporation.

In Witness Whereof; I have hereunto set my hand this 16th day of May, 2005.



Chas. F. Bain
Secretary

TAB 2

Joseph LaRosa

From: Brian Macgregor [bmacgregor@connect2inc.com]
Sent: Thursday, October 13, 2005 9:02 PM
To: 'Leann Baschnagel'; jlarosa@connect2usa.com; ddupree@connect2usa.com
Subject: [SPAM] RE: New Company Name ideas...

How's this:

Movies Unlimited
NetSaver
Deluxe Holidays

-----Original Message-----

From: Leann Baschnagel [mailto:lbaschnagel@connect2usa.com]
Sent: Thursday, October 13, 2005 4:46 PM
To: bmacgregor@connect2inc.com; ddupree@connect2usa.com;
jlarosa@connect2usa.com
Subject: New Company Name ideas...

Brian, Joe and Daryl,

Here are some names I came up with for the new products that will be replacing CRN.

Mega Movie Club Rename...

- Now Playing
- Total Movie Pass
- Cinematastic
- Silver Screen Saver
- Cinema Deluxe

Net 4 Ever Rename...

- Web Saver
- Net Saver
- Web 4 Less

Dream Vacations Rename...

- Holiday Utopia
- Dream Escape
- Paradise Escape
- Escape to Paradise
- Choice Getaways
- Deluxe Getaways

Let me know what you think of these and I'll put the new names in the old layouts and get these things printing.

Thanks, Leann

TAB 3

Daryl Dupree

From: Leesa King [leesa@crystalmltg.com]
Sent: Tuesday, January 03, 2006 10:15 AM
To: Paul Tosi; Joe Larosa; Daryl; zbennett@icclv.com
Subject: Fw: Seating Plan for the AM Shift on 01032006.



Seating Plan for
01032006.xls

PCL AM_01032006

----- Original Message -----

EXHIBIT

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Seating Plan for 01032006

FAMILY FUN PASS				
Sr. No.	Real Name	Alias Names	Agent ID	St. Id
1	Abdul Haq	John Ulm	US11011	3358
2	Abhay Mishra	Richard Williams	US11012	3351
3	Anuragh Parashar	John Thomson	US11013	3348
4	Anuragh Mishra	Richard Gough	US11016	3461
5	Syed Raza Abbas	Robert Patrick	US11019	3475
6	Akash Garg	Barry Keen	US11020	3659
7	Akhtar Ali	David Hess	US11021	3668
8	Arun sarin	Allan Bomfid	US11028	3341
9	Anil Bonthyal	Simon Cordiner	US11029	3400
10	Beenu Kashyap	Simon Carner	US11032	3662
11	Daljeet Singh Sethi	Jason Foley	US11035	3676
12	Ashish Mathur	Andrew McGregor	US11041	3453
13	Nisha Monga	Mason Williams	US11042	3382
14	Parul Gulati	Michael Sidorski	US11044	3393
15	Bambino Nandeibam	Ryan Watson	US11045	3343
16	Barkha	Nancy Gardner	US11046	3389
17	Priyanka Gupta	Liam Morgan	US11047	3663
18	Binita	Barbra Horr	US11049	3342
19	Bravo Sahni	Chris John	US11050	3344
20	Jitender Kapoor	Phyllis Wally	US11053	3645
21	Santosh Kumar	John Goodwin	US11054	3375
22	Saurabh kalra	Stephen John	US11055	3373
23	Dolan Chatterjee	Shea Wallis	US11059	3339
24	Gaurav Gupta	Martin Chaves	US11061	3333
25	VISHNU	Phillip Smith	US11062	3398
26	Geeta Chaudhary	Vera Devito	US11063	3395
27	Geetanjali Bisht	Angel Brown	US11064	3367
28	Kapil Dev	Chris Mcmillan	US11066	3337
29	Jitender Thanekar	Henry Muller	US11075	3366
30	Jonali Baruah	Clairor Smith	US11076	3338
31	Kapil Sharma	Ronald Ketcham	US11078	3370
32	Karan Talwar	Andrew Felstat	US11080	3360
33	Khalid Rashid Saba	Mathew Stires	US11082	3362
34	Sunny kwatra	Andrew Adams	US11083	3390
35	Mohd. Arifin	Allen Cox	US11084	3404
36	Mahipal Singh Gangola	Morricks Hill	US11086	3650
37	Manjeet Singh	Kevin White	US11091	3676
38	Deepika Lawrence	Tina Kelley	US11092	3665
39	Mayank Lunia	Matthew Flintoff	US11095	3402
40	Mohit Nagar	Johnny Reaves	US11096	3409

EXHIBIT

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Seating Plan for 01032006

FAMILY FUN PASS				
Sr. No.	Real Name	Alias Names	Agent ID	St. Id
41	Mohit Pundir	Sam Jones	US11097	3355
42	Rohit Gupta	James Feden	US11101	3394
43	Neeraj Kumar	Charles Phillips	US11103	3401
44	Neeraj Upadhayay	Kevin Rogers	US11104	3568
45	Neha Malik	Edna Gray	US11107	3448
46	Sanjay Kumar	William Bentely	US11108	3567
47	Mamta Arora	Donna Homes	US11109	3653
48	Nitasha Tondon	Margaret Smith	US11110	3566
49	Ravi Bisht	Steven Gilchrist	US11112	3347
50	Achui Shimray	Ronald Connor	US11113	3384
51	Radha Krishana Sharma	Daniel Partlo	US11115	3565
52	Pradeep Chakraborty	Peter Perkins	US11116	3563
53	Praveen Singh Thakur	Reed Thomas	US11122	3562
54	Puneet Sharma	Dominic Hargreaves	US11124	3609
55	Rajal Harish Anand	John McTaggart	US11127	3559
56	Vipin Chander	Adam Wright	US11128	3387
57	Mayank singh	Roy Rodriguez	US11129	3557
58	Rina	Catherine Wills	US11133	3371
59	Ritpal Singh	Mark Peel	US11136	3378
60	Piyush sharan	Borris Peterson	US11139	3556
61	Ankur Sharma	Wayne Bruce	US11143	3364
62	Mohit Saini	Harold Grady	US11144	3579
63	Manvinder Singh	Nathan May	US11147	3392
64	Santosh Singh	David Johnson	US11149	3345
65	Shivali	Jane Wills	US11156	3340
66	Sandeep Mahajan	Pauli Venum	US11157	3367
67	Sneha Gupta	Alicia Parker	US11162	3580
68	Som Nath	John Moore	US11163	3649
69	Udit Bhardwaj	David Higgins	US11164	3581
70	Sudeep Kumar Soni	Antonio Collins	US11165	3368
71	Junaid A faridi	Gerald Metcalf	US11335	3335
72	Anjali Gupta	Victoria Joseph	US11337	3658
73	Pawan Rani	Trisha Cold	US11338	3608
74	Vipul Agarwal	Rick Ward	US11339	3376
75	Ashu Verma	Martin Gray	US11340	3646
76	Abhishek Sharma	Harold Aitken	US11341	3582
77	Lalit Singh Bisht	James Murray	US11342	3587
78	Rohit Srivastava	Gail Mello	US11344	3602
79	Subhash Chander Routh	Charles Durham	US11346	3445
80	Jeff Baite	Eldon Cummins	US11348	3603

Seating Plan for 01032006

FAMILY FUN PASS				
Sr. No.	Real Name	Alias Names	Agent ID	St. Id
81	Harsh Sachdev	Nicholas Asamoah	US11351	3610
82	Varun Massey	Paul Rogers	US11352	3609
83	Pawan Kumar	Peter Clark	US11353	3678
84	Chetan Singh Rawat	Phillips Brown	US11354	3350
85	Dewakar Saklani	Richard Daw	US11355	3654
86	Avneet Kaur	Donna Howard	US11356	3386
87	Manish Suneja	Charles Tiftt	US11359	3656
88	Majid Kamraan	Edward Winarski	US11360	3353
89	Khayui Raman	Edwin Benejan	US11362	3640
90	Roofi Rashid	Howard Elzey	US11363	3456
91	Rajjan Khan	Scott Baker	US11364	3458
92	Jay Dutt Bhardwaj	David Hill	US11365	3451
93	Kumar Sourbh Rai	Nicholas Patrick	US11366	3610
94	Ashish Kumar Nirman	Joe Hamilton	US11367	3447
95	Nikhil Mudgal	David Walker	US11370	3444
96	Nishant Deshwal	Mark Povey	US11372	3446
97	Gaurav Dhawan	Phillip Fowler	US11374	3449
98	Tarun Shekhar	Edward Brown	US11382	3611
99	Vatul Tyagi	Garry John	US11386	3450
100	Ram Pratap	Rickey Gray	US11387	3457
101	Prashant Misra	Patrick Brad	US11388	3612
102	Roselyn Haokip	Sara Wilson	US11389	3452
103	Gaurav Sharma	Terry Nelson	US11393	3359
104	Pawan Sharma	Paul Bryett	US11394	3405
105	Shalini Tomar	Alice Justln	US11397	3666
106	Faisal Khan	Paul Hooker	US11398	3385
107	Jyoti Arora	Jessica Rose	US11399	3644
108	Pankaj	David Ward	US11400	3360
109	Nameesh	Andrew Dagnall	US11401	3613
110	Jugal Kishore	Daron Ashford	US11402	3399
111	Abhishek Kumar	Simon Archer	US11403	3356
112	Rajesh Kumar Sahani	David Murray	US11404	3470
113	Ranjeet Singh	Alan Lamb	US11405	3465
114	Anjana Samuel	Naomi Powell	US11406	3370
115	Mandeep Singh	Victor Callary	US11407	3396
116	Rakesh Joshi	Don Smith	US11408	3464
117	Deepak Kr Asarsa	Joe Gaines	US11427	3614
118	Shimpy	Serena Telly	US11436	3357
119	Rajat Ikka	Greg Reeves	US11437	3615
120	Ajay Kumar Arora	Graham Harrington	US11438	3616

Seating Plan for 01032006

FAMILY FUN PASS				
Sr. No.	Real Name	Allas Names	Agent ID	St. Id
121	Yatindra Pratap Singh	Marcus Bigham	US11180	3388
122	Viresh Rai	Michael Wallace	US11184	3673
123	Yashu Gaba	Richard Fox	US11186	3642
124	Yatharth Narang	Sylvester Thomson	US11187	3386
125	Zulfiqal Ali Khan	Samuel Cocoran	US11190	3383
126	Munish Yadav	Mandy Redshaw	US11199	3669
127	George Paite	Christopher Mcone	US11202	3605
128	Amit Puri	Steven Leverenz	US11208	3670
129	Satish Tevatiya	Andrew Brown	US11212	3460
130	Syed Kamal Ashraf	Mikki Coash	US11250	3521
131	Rahul Yadav	John Armstrong	US11368	3561
132	Bhupendra Kumar	Jacob Gallop	US11289	3677
133	Nusrat Husian	Tony Herrera	US11291	3573
134	Kamal Jeet Singh	Philipp Bertin	US11292	3336
135	Vineel Sharma	Charles Ealy	US11293	3680
136	Neha Saxena	Jacqueline Brooks	US11294	3641
137	Arshi Salamat	Calvin Cooper	US11295	3574
138	Prem Singh	Vicky Puckett	US11296	3647
139	Rashid Ali	John Shiver	US11299	3657
140	Dron Choudhery	Michael Miller	US11300	3679
141	Vishal	David Gorsline	US11301	3575
142	Pawan	Johnny Tyus	US11302	3391
143	Amit Jatwani	Robert Plump	US11303	3403
144	Anubhav	George Thomas	US11304	3652
145	Chetan Mehta	Kelly Woods	US11305	3661
146	Nikhil Sharma	Brandon William	US11306	3576
147	Amit Choudhery	Gabriel Marte	US11307	3664
148	Vijay Baliyan	Donald Pearson	US11308	3577
149	Vikas Sharma	Richard Watson	US11328	3578
150	Versha Pawria	Kimberly Weaver	US11334	3674
151	Upkar Sharma	John Finlayson	US11441	3572
152	Komal Gupta	Michael Frost	US11442	3377
153	Deepak Singh	John Rothwell	US11443	3472
154	Shilpi Longtany	Michelle William	US11444	3571
155	Bharat Sachdeva	Martin Hill	US11445	3443
156	Sunil Tyagi	Michael Dwyer	US11446	3346
157	Sunny Chauhan	William Vose	US11447	3570
158	Abhishek Kr Shandilyr	Tommie Maxwell	US11450	3671
159	Vishwanath Pandey	Scott Hyslop	US11451	3466
160	Abhinav Saraswat	Paul Castle	US11452	3470

EXHIBIT

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Seating Plan for 01032006

[illegible]

Seating Plan for 01032006

ALL STAR				
Sr. No.	Real Name	Alias Names	Agent ID	St. Id
1	Neha Kapoor	Linda Joseph	US11206	3500
2	Monika Bareja	Susan Carr	US11205	3495
3	Alok	Gordon Caruthers	US11193	3617
4	Vinay Singh Rawat	Jason Meade	US11221	3529
5	Lokesh Kumar	Neil Serry	US11203	3530
6	Vijay Kr. Gupta	Daniel David	US11178	3477
7	Inder Kumar	George Williams	US11071	3478
8	Deepak Chauhan	Roy Joseph	US11197	3510
9	Siril Sangeet Fernandis	Ken Smith	US11161	3536
10	Tarlok Singh	Dion King	US11170	3618
11	Narendra sikh Bisht	Barney James	US11238	3535
12	Aditya Rishi	Ian Miles	US11017	3505
13	Sumit Grover	Archle Dawson	US11167	3504
14	Himanshu Kapoor	Brandon Groves	US11232	3619
15	Rajan Mishra	Terry Robinson	US11126	3482
16	Kranti Kr. Singh	Vicky Arguillo	US11235	3473
17	Gopal K.C	Raymond Knight	US11065	3525
18	Vishal Choudhary	James Tyson	US11247	3490
19	Sharat Chaudhary	John Murrey	US11154	3511
20	Sagar Grover	Morris Burnley	US11142	3620
21	Vijayendra	Edward Fielder	US11246	3621
22	Arpana Dhiman	Pamela Suttle	US11227	3519
23	Syed Kamal Ashraf	Mikki Coash	US11250	3521
24	Arpan Mehta	Danny Erwin	US11248	3622
25	Mazhar Farooq	Thomas Darby	US11325	3623
26	Abdul Basil Ansari	Steven Burton	US11326	3524
27	Mohd. Wasim	Stuart Howard	US11327	3523
28	Ashish Tyagi	Micheal Cox	US11329	3532
29	Mohit Kumar	Andrew Simms	US11331	3522
30	Mithilesh Kumar	Anthony Bratt	US11332	3531
31	Rohit Sharma	Brandon Franklin	US11333	3476
32	Jabir Ali Ansari	Michael Slater	US11350	3509
33	Manzar Imam	Anthony Morrissey	US11347	3518
34	Rahul Yadav	Richard Wilson	US11253	3533
35	Kapil Narula	Ian Harvey	US11361	3524
36	Archit Chopra	Edward Roges	US11429	3483
37	Gaurav Sehgal	James Meadows	US11415	3484
38	Laxmi	Shirley West	US11416	3493
39	Rajesh Shah	Mable Marko	US11422	3485
40	Vipin Bhargava	Malcom King	US11336	3525
41	Vinod Kalra	Thomas Wilson	US11255	3498
42	Harris John	John Perry	US11279	3675
43	Deepak Dahiya	William Hicks	US11280	3678
44	Sumit Banerjee	Albert Dean	US11282	3679
45	Vikas Rameja	Charles Allan	US11309	3681
46	Jaspreet Singh	Richard Anderson	US11073	3689
47	Hemant Kumar	Andrew Vasey	SU11230	3688
48	Amit Dogra	Jacob Arias	US12210	3692
49	Rachit Singal	Anthony Braun	US11252	3699
50	Shafique Ahmed	Harry Johnson	US11254	3700

Seating Plan for 01032006

ACCESS				
Sr. No.	Real Name	Alias Names	Agent ID	St. Id
51	Vinay Chugh	Jacob Louis	US11258	3499
52	Abhishek Gulia	Jake Brettel	US11259	3626
53	Nitish Soni	Frank Gayzon	US11263	3514
54	Deepak Nagar	Heather Wagner	US11264	3516
55	Rajat Sharma	Carlos Burell	US11265	3534
56	Vijay Kumar	Joe Lanpreth	US11266	3507
57	Gourav Malhotra	Sandy Parker	US11267	3491
58	Poonam Rana	Nancy Lopez	US11270	3520
59	Libin Mathew	Alan Brown	US11271	3513
60	Arif Ali	Mark Folks	US11274	3627
61	Zakir Ali	Michael James	US11275	3515
62	Rahul Jain	Arthur Nicholas	US11276	3502
63	Jackson John	Methew Martin	US11278	3628
64	Babu	Patrick Smith	US11281	3494
65	Kush Kapoor	Mike Walker	US11277	3629
66	Lakhi Sinha	Bobby Anderson	US11286	3517
67	Aman Vyas	Donald Kewley	US11312	3630
68	Abhishek Tyagi	Elton Cummins	US11313	3631
69	Raja Vyas	Gavin Webster	US11315	3632
70	Deepak Sharma	James Lusby	US11228	3497
71	Komal Choudhary	Andrea Robinson	US11318	3526
72	Nupur Chaudhary	Anne Cox	US11319	3633
73	Arun Kumar Koli	Gary Cooke	US11320	3634
74	Ahar Musheer	Glenn Bacon	US11321	3525
75	Abid Ali Ahanger	John Murray	US11322	3492
76	Muddasir Ahmad Lone	Kason Smith	US11323	3512
77	Donny Francis	Joseph Stanley	US11022	3537
78	Robin Khurana	Allen Brown	US11014	3506
79	Nadeem Ahmed	David Joseph	US11378	3508
80	Sandeep Kumar	John Saxon	US11214	3527
81	Abhinav Sharma	John Lehman	US11463	3469
82	G Balaji	Neil Brother	US11464	3501
83	Lovelesh Chaturvedi	Nick Thompson	US11465	3482
84	Rahul Aggarwal	Steven Johnson	US11466	3481
85	Vikram Srivastava	Methew Watson	US11467	3479
86	Avdesh Singh	Thomas Knight	US11468	3480
87	Ujjwal Singh	Andie Peterson	US11469	3635
88	Lovey Datta	John Flower	US11470	3636
89	Rohit Aggarwal	Peter Hill	US11471	3637
90	Shailendra Kumar Dwivedi	John Martin	US11472	3503
91	Vikas Karanwal	Alan Adams	US11473	3496
92	Prabhjot Makkar	Michael Martin	US11262	3676
93	Thotmoya Zimik	Bryan Gibson	US11268	3677
94	Charanjit Singh	Jose Brown	US11273	3680
95	Argen Prabha Minz	Linda Dunn	US11198	3682
96	Yatin Singh	Ronald Chapman	US11222	3691
97	Hameet Singh Chawla	Agustin Benitez	US11201	3693
98	Abhilasha	Janet Gracia	US11191	3986
99	Amandeep Singh Behl	George Ross	US11194	3685
100	Naveen Bajaj	Walter Robinson	US11102	3687

TAB 4

Robb Evans & Associates, LLC
Temporary Receiver of Universal Premium Services, et al.
Summary of Programs / Products by Companies

	BLITZ-MEDIA, INC.	CONTINUITY PARTNERS, INC.	PREMIER BENEFITS, INC.	STAR COMMUNICATIONS, LLC	ALL STAR ACCESS	CONSUMER REWARD NETWORK, INC.	PRIME TIME VENTURES, INC.
PROGRAM (1)	American Values	American Values	Buyer's Union				
PROGRAM (2)		U-Talk Unlimited	Call One Unlimited	Star Communications			
PROGRAM (3)	Wellnet America	Wellnet America				Health Network Unlimited	Healthcare Plus
PROGRAM (4)			Premier Movie Pass Unlimited		Movies Unlimited	Mega Movie Club	
PROGRAM (5)				Family Fun Pass			Total's Entertainment
PROGRAM (6)	Vacant Sun			Fantasy Vacations	Deluxe Holidays		VIP Holidays
PROGRAM (7)					Net Saver	Net4Ever	
PROGRAM (8)		Amazing Washball					
PROGRAM (9)				Half Pace TV			
PROGRAM (10)						Auto Gold	
PROGRAM (11)							Protection Plus
Notes: Programs (1) through (7) are promoted by the different companies, but have identical or similar features.							

TAB 5



2nd Shift																				Upsales																			
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	Sales	SPH	Upsale	Hours																
01/02/06	Mon	30	317	34	0.107255521	23	58.33%	16	33.33%	43	261	23	0.088123605	20	86.96%	76.09%	57	0.098815517	64.91%	376																			
01/03/06	Tues	48	298	26	0.087244322	18	89.23%	13	50.00%	59.82%	40	280	23	0.092	21	91.20%	84.78%	49	0.088416059	71.43%	646																		
01/04/06	Wed	48	307	36	0.114008515	31	83.57%	22	82.88%	75.71%	39	238	18	0.076832032	17	84.44%	77.78%	53	0.097247706	78.25%	545																		
01/05/06	Thurs	52	326	23	0.070788231	18	82.81%	14	60.87%	71.74%	46	270	22	0.081481461	16	72.73%	70.45%	45	0.075630252	71.11%	595																		
01/06/06	Fri	66	328	24	0.073170732	16	68.87%	12	50.00%	56.33%	43	262	16	0.071428371	16	88.89%	75.00%	42	0.073413793	85.48%	540																		
01/07/06	Sat	50	300	30	0.1	19	63.33%	14	46.87%	55.00%	40	240	15	0.066566687	13	81.25%	85.75%	46	0.085163185	59.78%	540																		
01/08/06	Sun	48	260	16	0.057142857	14	87.50%	6	37.50%	82.50%	27	160	16	0.1	16	88.89%	72.22%	34	0.073913043	72.00%	460																		
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	Sales	SPH	Upsale	Hours																
01/09/06	Mon	49	308	79	0.084771242	22	78.84%	20	88.87%	80.43%	32	702	20	0.099009901	17	85.00%	72.50%	49	0.094384813	72.45%	503																		
01/10/06	Tues	60	318	23	0.07278481	18	69.17%	16	85.22%	87.35%	24	126	15	0.12	13	80.00%	68.87%	38	0.08419178	87.11%	441																		
01/11/06	Wed	51	318	20	0.062893082	17	85.00%	11	55.00%	70.00%	32	180	8	0.044444444	7	87.50%	62.50%	28	0.05822446	71.43%	488																		
01/12/06	Thurs	53	300	12	0.04	9	73.68%	6	50.00%	82.50%	32	149	16	0.087573986	13	86.81%	70.00%	27	0.051582398	86.57%	489																		
01/13/06	Fri	47	288	23	0.07881111	16	78.26%	14	60.87%	68.57%	34	194	11	0.058123449	10	90.91%	86.36%	34	0.070247934	75.00%	484																		
01/14/06	Sat	36	200	21	0.105	16	71.43%	14	66.67%	89.05%	31	180	8	0.033333333	6	100.00%	91.87%	27	0.071032632	74.07%	380																		
01/15/06	Sun																																						
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	Sales	SPH	Upsale	Hours																
01/16/06	Mon	50	274	18	0.058384161	12	75.00%	6	37.50%	68.25%	33	206	12	0.058333427	9	75.00%	7	59.33%	66.87%	28	0.064333333	80.71%	480																
01/17/06	Tues	33	81	1	0.018607843	1	100.00%	1	100.00%	100.00%	48	203	4	0.019704433	4	100.00%	4	100.00%	100.00%	5	0.018485038	100.00%	284																
01/18/06	Wed	41	260	22	0.088	18	82.18%	11	50.00%	39.09%	60	308	6	0.018237466	6	100.00%	4	80.00%	80.00%	27	0.048837987	84.81%	488																
01/19/06	Thurs	36	281	11	0.037800887	9	81.82%	4	38.38%	59.08%	54	216	14	0.064814116	12	83.71%	7	50.00%	87.86%	25	0.048308645	84.00%	507																
01/20/06	Fri	40	241	13	0.053941908	10	76.92%	4	30.77%	53.85%	35	165	7	0.042424242	7	100.00%	6	85.71%	92.86%	20	0.04281064	87.50%	408																
01/21/06	Sat	46	287	24	0.093385214	15	81.50%	9	37.50%	50.00%	37	221	16	0.087873003	12	90.00%	10	66.67%	73.33%	39	0.081489958	58.97%	473																
01/22/06	Sun																																						
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	Sales	SPH	Upsale	Hours																
01/23/06	Mon	43	283	18	0.086441085	16	88.89%	11	61.11%	75.00%	37	231	16	0.059760956	11	73.33%	10	85.87%	70.00%	33	0.064203555	72.73%	314																
01/24/06	Tues	43	285	25	0.084339823	16	84.00%	13	52.00%	58.00%	44	301	23	0.076411198	18	78.26%	12	52.37%	65.22%	48	0.084049454	61.48%	346																
01/25/06	Wed	40	268	18	0.069787442	13	72.22%	9	50.00%	61.11%	0	0	0	0	0	0	0	0	0	0	0	0	258																
01/26/06	Thurs	0	0	0	0	0	0	0	0	0	20	143	7	0.046951045	6	85.71%	4	57.14%	71.43%	7	0.048851049	71.43%	143																
01/27/06	Fri	42	247	11	0.044535413	6	54.55%	3	27.27%	40.91%	29	202	14	0.069306931	9	64.39%	8	35.71%	50.00%	25	0.055873287	48.00%	449																
01/28/06	Sat	40	184	17	0.087628868	10	58.82%	8	47.04%	52.94%	34	222	17	0.078787877	16	94.12%	13	78.47%	85.29%	34	0.081720789	89.12%	418																
01/29/06	Sun																																						

SLG STARCALL														
2nd Shift														
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average	Uptime	%	SPH	Average Uptime
01/02/06	Mon	90	785	31	0.115954248	90	98.90%	88	98.44%	78.97%	80	82.56%	0.111764704	80.12%
01/03/06	Tues	160	1616	150	0.092378257	140	81.33%	81	90.87%	77.00%	80	80.00%	0.092378257	77.00%
01/04/06	Wed	190	1616	164	0.095356037	150	87.40%	108	70.11%	83.77%	154	80.93%	0.095356037	83.77%
01/05/06	Thurs	190	1616	109	0.06749226	107	86.17%	86	60.51%	79.36%	108	80.00%	0.06749226	79.36%
01/06/06	Fri	160	1616	107	0.06525357	102	95.33%	70	65.42%	80.37%	107	80.00%	0.06525357	80.37%
01/07/06	Sat	165	1616	52	0.057585138	52	100.00%	43	67.4%	83.87%	93	80.00%	0.057585138	83.87%
01/08/06	Sun													
2nd Shift														
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average	Uptime	%	SPH	Average Uptime
01/09/06	Mon	165	1603	131	0.083371347	131	100.00%	88	87.18%	83.59%	131	80.00%	0.083371347	83.59%
01/10/06	Tues	165	1603	140	0.089788172	139	99.29%	91	85.80%	82.14%	140	80.00%	0.089788172	82.14%
01/11/06	Wed	165	1603	146	0.119743407	146	98.81%	100	91.57%	79.17%	166	80.00%	0.119743407	79.17%
01/12/06	Thurs	165	1603	128	0.091233072	128	91.44%	87	87.97%	83.20%	128	80.00%	0.091233072	83.20%
01/13/06	Fri	165	1603	120	0.085531005	117	97.40%	78	88.00%	81.24%	120	80.00%	0.085531005	81.24%
01/14/06	Sat	165	1603	113	0.080541698	107	94.89%	70	81.95%	78.32%	113	80.00%	0.080541698	78.32%
01/15/06	Sun													
2nd Shift														
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average	Uptime	%	SPH	Average Uptime
01/16/06	Mon	55	487.5	64	0.135898398	61	98.31%	44	88.75%	82.03%	63	100.00%	0.135898398	82.03%
01/17/06	Tues	55	487.5	60	0.171122985	77	94.21%	64	87.50%	81.88%	76	94.20%	0.171122985	81.88%
01/18/06	Wed	55	487.5	89	0.190374332	87	97.71%	64	81.80%	78.74%	85	97.70%	0.190374332	78.74%
01/19/06	Thurs	55	487.5	63	0.134759358	61	96.83%	42	86.67%	81.73%	60	94.77%	0.134759358	81.73%
01/20/06	Fri	55	487.5	67	0.143315508	66	98.51%	40	91.70%	79.10%	65	98.45%	0.143315508	79.10%
01/21/06	Sat	55	487.5	58	0.124064171	58	94.81%	32	83.17%	76.00%	53	94.64%	0.124064171	76.00%
01/22/06	Sun													
2nd Shift														
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average	Uptime	%	SPH	Average Uptime
01/23/06	Mon	75	837.5	88	0.090808282	87	98.23%	40	88.23%	83.62%	76	88.23%	0.090808282	83.62%
01/24/06	Tues	75	837.5	65	0.101980784	64	98.46%	39	80.00%	78.23%	75	98.44%	0.101980784	78.23%
01/25/06	Wed	75	837.5	77	0.120784314	74	98.10%	47	81.00%	78.57%	76	98.00%	0.120784314	78.57%
01/26/06	Thurs	75	837.5	95	0.148018808	91	95.79%	58	81.03%	78.42%	75	94.64%	0.148018808	78.42%
01/27/06	Fri	75	837.5	101	0.158433733	98	97.05%	70	89.31%	83.17%	76	97.95%	0.158433733	83.17%
01/28/06	Sat	75	837.5	104	0.163137255	101	97.12%	86	93.48%	80.29%	75	101.9802%	0.163137255	80.29%
01/29/06	Sun	75	837.5	47	0.07372549	47	100.00%	29	61.70%	80.85%	46	97.83%	0.07372549	80.85%

2nd Shift																			
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	SPH	#1	%	#2	%	Average Upsale	SPH	Average Upsale	Hours	
01/02/06	Mon	10	76	63	0.84	48	76.19%	38	60.32%	88.25%	88.25%	88.25%	88.25%	88.25%	88.25%	88.25%	88.25%	75	
01/03/06	Tues	9	68	68	1.045454545	49	71.01%	42	60.87%	65.94%	65.94%	65.94%	65.94%	65.94%	65.94%	65.94%	65.94%	66	
01/04/06	Wed	13	94	76	0.829787234	56	70.51%	49	62.82%	68.67%	68.67%	68.67%	68.67%	68.67%	68.67%	68.67%	68.67%	94	
01/05/06	Thurs	11	82	88	0.719512195	43	89.46%	34	57.43%	63.56%	63.56%	63.56%	63.56%	63.56%	63.56%	63.56%	63.56%	82	
01/06/06	Fri	13	80	38	0.433333333	26	66.67%	18	46.15%	56.41%	56.41%	56.41%	56.41%	56.41%	56.41%	56.41%	56.41%	80	
	Sat																		
	Sun																		
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	SPH	#1	%	#2	%	Average Upsale	SPH	Average Upsale	Hours
01/09/06	Mon	12	36	13	0.371428571	8	68.23%	9	89.33%	89.23%	89.23%	89.23%	89.23%	89.23%	89.23%	89.23%	89.23%	36	
01/10/06	Tues	11	73	32	0.438356164	24	75.00%	13	49.63%	57.81%	57.81%	57.81%	57.81%	57.81%	57.81%	57.81%	57.81%	73	
01/11/06	Wed	11	78	44	0.559842025	32	73.73%	18	40.91%	56.82%	56.82%	56.82%	56.82%	56.82%	56.82%	56.82%	56.82%	78	
01/12/06	Thurs	18	102	46	0.441176471	30	66.67%	28	57.78%	62.22%	62.22%	62.22%	62.22%	62.22%	62.22%	62.22%	62.22%	102	
01/13/06	Fri	14	86	48	0.46875	31	68.89%	28	55.94%	62.22%	62.22%	62.22%	62.22%	62.22%	62.22%	62.22%	62.22%	86	
	Sat																		
	Sun																		
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	SPH	#1	%	#2	%	Average Upsale	SPH	Average Upsale	Hours
01/16/06	Mon	16	108	64	0.5	44	81.48%	34	62.86%	72.22%	72.22%	72.22%	72.22%	72.22%	72.22%	72.22%	72.22%	108	
01/17/06	Tues	13	86	80	0.816326531	52	85.00%	44	57.50%	81.25%	81.25%	81.25%	81.25%	81.25%	81.25%	81.25%	81.25%	86	
01/18/06	Wed	14	98	71	0.724489796	51	71.63%	48	64.79%	88.31%	88.31%	88.31%	88.31%	88.31%	88.31%	88.31%	88.31%	98	
01/19/06	Thurs	12	84	66	0.785714286	47	71.21%	36	53.03%	62.12%	62.12%	62.12%	62.12%	62.12%	62.12%	62.12%	62.12%	84	
01/20/06	Fri	13	86	83	0.677030333	47	72.31%	36	55.38%	83.85%	83.85%	83.85%	83.85%	83.85%	83.85%	83.85%	83.85%	86	
	Sat																		
	Sun																		
Date	Day	Seats	Hours	Sales	SPH	#1	%	#2	%	Average Upsale	SPH	#1	%	#2	%	Average Upsale	SPH	Average Upsale	Hours
01/23/06	Mon	10	84	60	0.882352941	42	70.00%	38	63.33%	66.67%	66.67%	66.67%	66.67%	66.67%	66.67%	66.67%	66.67%	84	
01/24/06	Tues	13	96	58	0.614583333	43	72.89%	37	62.71%	67.80%	67.80%	67.80%	67.80%	67.80%	67.80%	67.80%	67.80%	96	
01/25/06	Wed	12	78	64	0.892307692	43	78.65%	34	68.87%	73.15%	73.15%	73.15%	73.15%	73.15%	73.15%	73.15%	73.15%	78	
01/26/06	Thurs	11	84	81	0.728190476	63	84.39%	39	63.83%	76.41%	76.41%	76.41%	76.41%	76.41%	76.41%	76.41%	76.41%	84	
01/27/06	Fri	12	86	86	0.804878049	47	71.21%	33	50.00%	80.81%	80.81%	80.81%	80.81%	80.81%	80.81%	80.81%	80.81%	86	
01/28/06	Sat	11	76	87	0.75	36	61.40%	27	47.37%	54.39%	54.39%	54.39%	54.39%	54.39%	54.39%	54.39%	54.39%	76	
	Sun																		

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EXHIBIT
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TAB 6

Robt Evans & Associates, LLC
Temporary Receiver of Universal Premium Services, et al.
Summary of Sales, Chargebacks, Returns, and Refunds

Company Name	Product Description	Transaction Description	1999	2000	2001	2002	2003	2004	2005	2006	Total
			IR	IR	IR	IR	IR	IR	IR	IR	
ALL COMPANIES	ALL PRODUCTS	GROSS SALES	\$158,982.00	\$9,832,282.00	\$32,417,422.00	\$48,912,437.00	\$19,893,200.97	\$21,024,102.54	\$46,728,844.94	\$7,107,089.25	\$249,793,128.48
ALL COMPANIES	ALL PRODUCTS	CHARGEBACKS	\$240,102.00	\$3,487,845.00	\$18,894,749.00	\$3,446,584.00	\$1,142,825.17	\$48,890.00	\$5,328.30	\$5,100,042.47	\$54,100,042.47
ALL COMPANIES	ALL PRODUCTS	CONSUMER INITIATED RETURNS				\$21,017,107.00	\$1,272,907.88	\$2,704,008.70	\$54,859,248.85	\$2,778,477.85	\$41,712,842.88
ALL COMPANIES	ALL PRODUCTS	COMPANY GENERATED REFUNDS					\$2,418,322.84	\$843,764.71	\$210,309.83	\$127,481.05	\$3,599,880.35
ALL COMPANIES	ALL PRODUCTS	CHARGEBACKS / RETURN / REFUND RATIO	36.35%	35.40%	58.60%	43.09%	23.86%	15.62%	37.92%	40.86%	39.83%

Notes:
TR represents Tax Returns and OB represents the defendants' database as the source of the information.

Robb Evans & Associates, LLC
Temporary Receiver of Universal Premium Services, et al.
Summary of Sales, Chargebacks, Returns, and Refunds

Company Name	Product Description	Transaction Description	1998 TB	1999 TB	2000 TB	2001 TB	2002 TB	2003 TB	2004 TB	2005 TB	2006 TB	Total
Blitz Media Sales, Inc.	NA	Gross Sales	\$656,992.00	\$9,657,202.00								\$10,314,194.00
Blitz Media Sales, Inc.	NA	Chargebacks	\$240,102.00	\$3,487,865.00								\$3,727,967.00
Blitz Media Sales, Inc.	NA	Chargebacks Ratio - by Company	36.55%	36.40%								31.47%
Blitz Media Sales, Inc.	NA	Chargebacks Ratio - by Company										
Blitz Media Sales, Inc.	NA	Gross Sales	\$52,417,922.00	\$48,962,437.00	\$12,312,239.00							\$112,692,598.00
Blitz Media Sales, Inc.	NA	Chargebacks	\$18,494,729.00	\$11,091,707.00	\$9,443,552.00							\$39,030,028.00
Blitz Media Sales, Inc.	NA	Chargebacks Ratio - by Company	35.64%	43.09%	31.35%							31.94%
Continuity Partners, Inc.	American Values	Gross Sales			\$4,763,643.76	\$2,601,791.50	\$890,126.61	\$91,307.70				\$10,838,869.57
Continuity Partners, Inc.	American Values	Chargebacks			\$281,087.38	\$10,339.40	\$1,735.40					\$273,162.18
Continuity Partners, Inc.	American Values	Consumer Initiated Returns			\$343,892.90	\$308,413.30	\$48,042.10	\$2,765.25				\$740,833.05
Continuity Partners, Inc.	American Values	Company Generated Returns			\$354,725.10	\$155,851.61	\$2,077.06					\$512,653.77
Continuity Partners, Inc.	American Values	Chargebacks/Return Ratio - by Product			21.16%	12.15%	7.85%	3.05%				18.61%
Continuity Partners, Inc.	Unik Unlimited	Gross Sales			\$7,016,151.66	\$7,290,000.30	\$1,655,622.70	\$133,166.65				\$16,097,951.31
Continuity Partners, Inc.	Unik Unlimited	Chargebacks			\$470,300.06	\$20,262.60	\$1,997.50					\$492,560.16
Continuity Partners, Inc.	Unik Unlimited	Consumer Initiated Returns			\$558,234.27	\$597,562.60	\$194,086.45	\$9,432.05				\$1,311,344.67
Continuity Partners, Inc.	Unik Unlimited	Company Generated Returns			\$1,009,519.07	\$368,330.05	\$5,682.45					\$1,423,531.57
Continuity Partners, Inc.	Unik Unlimited	Chargebacks/Return Ratio - by Product			28.33%	13.80%	12.31%	7.10%				18.92%
Continuity Partners, Inc.	Washall	Gross Sales			\$1,642,600.36	\$76,905.20	\$69,045.35	\$46,237.75				\$2,014,014.66
Continuity Partners, Inc.	Washall	Chargebacks			\$126,339.73	\$10,837.96	\$43.30					\$137,221.00
Continuity Partners, Inc.	Washall	Consumer Initiated Returns			\$126,135.70	\$40,804.29	\$7,626.70	\$22,313.55				\$199,880.24
Continuity Partners, Inc.	Washall	Company Generated Returns			\$353,205.15	\$65,270.10	\$11,900					\$429,475.25
Continuity Partners, Inc.	Washall	Chargebacks/Return Ratio - by Product			32.29%	14.66%	6.87%	50.42%				28.63%
Continuity Partners, Inc.	Washall	Gross Sales			\$4,029,599.16	\$3,556,778.10	\$737,721.55	\$56,019.95				\$8,379,118.71
Continuity Partners, Inc.	Washall	Chargebacks			\$285,184.01	\$7,166.05	\$1,510.10					\$293,860.16
Continuity Partners, Inc.	Washall	Consumer Initiated Returns			\$272,845.62	\$384,810.55	\$80,222.10	\$3,945.05				\$741,823.32
Continuity Partners, Inc.	Washall	Company Generated Returns			\$460,652.67	\$123,643.20	\$1,143.35					\$585,439.22
Continuity Partners, Inc.	Washall	Chargebacks/Return Ratio - by Product			26.29%	14.50%	11.23%	7.04%				19.33%
Continuity Partners, Inc.	All Products	Gross Sales			\$18,893,200.87	\$16,534,363.48	\$3,372,556.21	\$326,754.25				\$29,126,874.81
Continuity Partners, Inc.	All Products	Chargebacks			\$1,142,925.17	\$46,698.00	\$5,329.30					\$1,194,952.47
Continuity Partners, Inc.	All Products	Consumer Initiated Returns			\$1,277,907.89	\$1,331,420.90	\$349,982.35	\$19,496.00				\$2,978,807.14
Continuity Partners, Inc.	All Products	Company Generated Returns			\$2,418,322.94	\$713,095.85	\$8,911.75					\$3,140,330.54

Notes:
TB represents Tax Returns and DB represents the defendants' database as the source of the information.

Robb Evans & Associates, LLC
Temporary Receiver of Universal Premium Services, et al.
Summary of Sales, Chargebacks, Returns, and Refunds

Company Name	Product Description	Transaction Description	1998 IB	1998 IB	2000 IB	2001 IB	2002 IB	2003 DB	2004 DB	2005 DB	Total
Continuity Partners, Inc.	All Products	Chargebacks/Return Ratio - by Company						25.06%	13.60%	10.90%	12.09%
Premier Benefits, Inc. Buyers Union		Gross Sales									
Premier Benefits, Inc. Buyers Union		Consumer Initiated Returns									
Premier Benefits, Inc. Buyers Union		Company Generated Returns									
Premier Benefits, Inc. Buyers Union		Return Ratio - by Product									
Premier Benefits, Inc. Call One		Gross Sales									
Premier Benefits, Inc. Call One		Consumer Initiated Returns									
Premier Benefits, Inc. Call One		Company Generated Returns									
Premier Benefits, Inc. Call One		Return Ratio - by Product									
Premier Benefits, Inc. Premier Movie Pass		Gross Sales									
Premier Benefits, Inc. Premier Movie Pass		Consumer Initiated Returns									
Premier Benefits, Inc. Premier Movie Pass		Company Generated Returns									
Premier Benefits, Inc. Premier Movie Pass		Return Ratio - by Product									
Premier Benefits, Inc. All Products		Gross Sales									
Premier Benefits, Inc. All Products		Consumer Initiated Returns									
Premier Benefits, Inc. All Products		Company Generated Returns									
Premier Benefits, Inc. All Products		Return Ratio - by Company									
Star Communications, LLC	Family Fun Pass	Gross Sales									
Star Communications, LLC	Family Fun Pass	Consumer Initiated Returns									
Star Communications, LLC	Family Fun Pass	Company Generated Returns									
Star Communications, LLC	Family Fun Pass	Return Ratio - by Product									
Star Communications, LLC	Family Fun Pass	Gross Sales									
Star Communications, LLC	Family Fun Pass	Consumer Initiated Returns									
Star Communications, LLC	Family Fun Pass	Company Generated Returns									
Star Communications, LLC	Family Fun Pass	Return Ratio - by Product									
Star Communications, LLC	Family Fun Pass	Gross Sales									
Star Communications, LLC	Family Fun Pass	Consumer Initiated Returns									
Star Communications, LLC	Family Fun Pass	Company Generated Returns									
Star Communications, LLC	Family Fun Pass	Return Ratio - by Product									
Star Communications, LLC	Family Fun Pass	Gross Sales									
Star Communications, LLC	Family Fun Pass	Consumer Initiated Returns									
Star Communications, LLC	Family Fun Pass	Company Generated Returns									
Star Communications, LLC	Family Fun Pass	Return Ratio - by Product									

Note:
TR represents Tax Returns and DB represents the defendants' database as the source of the information.

Robb Evans & Associates, LLC

Company Name	Product/Description	Transaction Description	1998 TB	1999 TB	2000 TB	2001 TB	2002 TB	2003 DB	2004 DB	2005 DB	Total
Star Communications, LLC	Has Price TV	Gross Sales						\$8,184,007.50		\$545,066.65	\$8,729,074.15
Star Communications, LLC	Has Price TV	Consumer Initiated Returns						\$5,328,742.80		\$281,143.10	\$5,569,885.70
Star Communications, LLC	Has Price TV	Company Generated Refunds						\$7,313.90			\$7,313.90
Star Communications, LLC	Has Price TV	Return Ratio - by Product						66.25%		47.81%	64.12%
Star Communications, LLC	Star Communications	Gross Sales						\$9,579,981.30		\$1,785,731.85	\$11,365,713.15
Star Communications, LLC	Star Communications	Consumer Initiated Returns						\$6,443,776.85		\$900,074.85	\$7,343,851.30
Star Communications, LLC	Star Communications	Company Generated Refunds						\$0,161.15			\$3,181.15
Star Communications, LLC	Star Communications	Return Ratio - by Company						67.30%		50.40%	64.64%
Star Communications, LLC	Star Communications	Gross Sales						\$3,204,219.70		\$1,222,318.70	\$4,426,538.40
Star Communications, LLC	Star Communications	Consumer Initiated Returns						\$1,990,066.80		\$588,737.26	\$2,578,804.06
Star Communications, LLC	Star Communications	Company Generated Refunds						\$0,000.00			\$0,000.00
Star Communications, LLC	Star Communications	Return Ratio - by Product						60.95%		48.05%	50.78%
Star Communications, LLC	Star Communications	Gross Sales						\$20,592.00		\$665,200.80	\$685,792.80
Star Communications, LLC	Star Communications	Consumer Initiated Returns						\$0,548.85		\$333,351.60	\$333,900.45
Star Communications, LLC	Star Communications	Company Generated Refunds						\$0,000.00			\$0,000.00
Star Communications, LLC	Star Communications	Return Ratio - by Product						41.51%		37.65%	37.74%
Star Communications, LLC	Star Communications	Gross Sales						\$17,760.40		\$648,212.00	\$665,972.40
Star Communications, LLC	Star Communications	Consumer Initiated Returns						\$0,100.10		\$292,441.85	\$292,541.95
Star Communications, LLC	Star Communications	Company Generated Refunds						\$0,000.00			\$0,000.00
Star Communications, LLC	Star Communications	Return Ratio - by Product						46.60%		40.61%	40.75%
Star Communications, LLC	Star Communications	Gross Sales						\$384,011.10		\$2,756,019.50	\$3,140,030.60
Star Communications, LLC	Star Communications	Consumer Initiated Returns						\$215,660.55		\$1,163,531.00	\$1,401,194.55
Star Communications, LLC	Star Communications	Company Generated Refunds						\$0,000.00			\$0,000.00
Star Communications, LLC	Star Communications	Return Ratio - by Company						59.12%		42.97%	44.86%
Star Communications, LLC	Star Communications	Gross Sales						\$1,078,474.65		\$1,876.40	\$1,080,351.25
Star Communications, LLC	Star Communications	Consumer Initiated Returns						\$811,300.75		\$1,548.75	\$812,849.50
Star Communications, LLC	Star Communications	Company Generated Refunds						\$7,884.25			\$7,884.25
Star Communications, LLC	Star Communications	Return Ratio - by Product						60.00%		48.05%	50.78%

Notes:
TR represents Tax Returns and DB represents the defendants' database as the source of the information.

Robb Evans & Associates, LLC
Temporary Receiver of Universal Premium Services, et al.
Summary of Sales, Chargebacks, Returns, and Refunds

Company Name	Product Description	Transaction Description	1993 TR	1993 DB	2000 TR	2001 TR	2002 TR	2003 DB	2004 DB	2004 DB	Total
Consumer Reward Network, Inc.	AutoLoad	Return Ratio - by Product								82.54%	\$7.44%
Consumer Reward Network, Inc.	Health Network	Gross Sales									
NitroNet, Inc.	Health Network	Consumer Initiated Returns									
NitroNet, Inc.	Health Network	Company Generated Returns									
NitroNet, Inc.	Health Network	Return Ratio - by Product									
Consumer Reward Network, Inc.	Mega Movie Club	Gross Sales									
Consumer Reward Network, Inc.	Mega Movie Club	Consumer Initiated Returns									
Consumer Reward Network, Inc.	Mega Movie Club	Company Generated Returns									
Consumer Reward Network, Inc.	Mega Movie Club	Return Ratio - by Product									
Consumer Reward Network, Inc.	NetEver	Gross Sales									
Consumer Reward Network, Inc.	NetEver	Consumer Initiated Returns									
Consumer Reward Network, Inc.	NetEver	Company Generated Returns									
Consumer Reward Network, Inc.	NetEver	Return Ratio - by Product									
Consumer Reward Network, Inc.	All Products	Gross Sales									
Consumer Reward Network, Inc.	All Products	Consumer Initiated Returns									
Consumer Reward Network, Inc.	All Products	Company Generated Returns									
Consumer Reward Network, Inc.	All Products	Return Ratio - by Product									
Prime Time Ventures, Inc.	Healthcare Plus	Gross Sales									
Prime Time Ventures, Inc.	Healthcare Plus	Consumer Initiated Returns									
Prime Time Ventures, Inc.	Healthcare Plus	Company Generated Returns									
Prime Time Ventures, Inc.	Healthcare Plus	Return Ratio - by Product									
Prime Time Ventures, Inc.	Protection Plus	Gross Sales									
Prime Time Ventures, Inc.	Protection Plus	Consumer Initiated Returns									
Prime Time Ventures, Inc.	Protection Plus	Company Generated Returns									
Prime Time Ventures, Inc.	Protection Plus	Return Ratio - by Product									
Prime Time Ventures, Inc.	Theta Entertainment	Gross Sales									
Prime Time Ventures, Inc.	Theta Entertainment	Consumer Initiated Returns									
Prime Time Ventures, Inc.	Theta Entertainment	Company Generated Returns									
Prime Time Ventures, Inc.	Theta Entertainment	Return Ratio - by Product									

Notes:
TR represents Tax Returns and DB represents the defendants' database as the source of the information.

Robb Evans & Associates, LLC
Temporary Receiver of Universal Premium Services, et al.
Summary of Sales, Chargebacks, Returns, and Refunds

Company Name	Product Description	Transaction Description	1999 TR	2000 TR	2001 TR	2002 TR	2003 DB	2004 DB	Total
Prime Time Ventures, Inc.	VIP Holiday	Gross Sales					\$548,722.45	\$738,864.85	\$1,287,587.30
Prime Time Ventures, Inc.	VIP Holiday	Consumer Initiated Returns					\$388,928.35	\$102,409.45	\$491,337.80
Prime Time Ventures, Inc.	VIP Holiday	Company Generated Refunds					\$4,866.30	\$108.79	\$4,975.09
Prime Time Ventures, Inc.	VIP Holiday	Return Ratio - by Product					73.59%	42.95%	64.50%
Prime Time Ventures, Inc.	All Products	Gross Sales					\$1,692,232.10	\$522,847.45	\$2,215,079.55
Prime Time Ventures, Inc.	All Products	Consumer Initiated Returns					\$1,304,232.45	\$180,169.00	\$1,484,392.05
Prime Time Ventures, Inc.	All Products	Company Generated Refunds					\$28,305.85	\$85,064.15	\$113,370.00
Prime Time Ventures, Inc.	All Products	Return Ratio - by Company					70.39%	44.18%	63.89%

Notes:
TR represents Tax Returns and DB represents the defendants' databases as the source of the information.

TAB 7

ROBB EVANS & ASSOCIATES, LLC
UNIVERSAL PREMIUM SERVICES, EL AL.
SUMMARY OF FROZEN ACCOUNTS
FEBRUARY 22, 2006

Financial Institution/ Entity Name	Account Name	Account Number	Balance Frozen as of 2/22/06
Bank of America	Consumer Reward Network, Inc.	004969495707 (NV)	\$758.97
Bank of America	Consumer Reward Network, Inc.	004969495710 (NV)	\$13,990.23
Bank of America	Continuity Partners, Inc.	004967741835 (NV)	\$50,914.27
Bank of America	Continuity Partners, LLC	004967741851 (NV)	\$629.40
Bank of America	I Connect Communications, Inc.	03862-07838 (CA)	\$250.97
Bank of America	Star Communications LLC	004969495574 (NV)	\$104,741.13
Bank of America	Star Communications LLC	004969495587 (NV)	\$378.11
Bay Cities Bank	Merchant Risk Management, Inc.	1008535	\$968.01
Calnet Business Bank	Connect 2 USA, Inc.	1000369496	\$70.00
Calnet Business Bank	Premier Benefits	1000344985	\$7,969.56
First Regional Bank	American Value (in the name of Internet Transaction Services, Inc.)	775-172053	\$1,443.95
First Regional Bank	Auto Gold	Footnote 1	\$51,694.42
First Regional Bank	Buyer's Union	Footnote 1	\$22,908.19
First Regional Bank	Call One	Footnote 1	\$199,843.02
First Regional Bank	Health Network Unlimited	Footnote 1	\$37,030.54
First Regional Bank	Net4Ever	Footnote 1	\$20,088.15
First Regional Bank	Premier Movie Pass	Footnote 1	\$63,071.17
First Regional Bank	Reserve	Footnote 1	\$53,227.00
First Regional Bank	Reserve withheld by First Regional Bank as a reserve against future customer chargebacks		\$10,000.00
First Regional Bank	Utalk (in the name of Internet Transaction Services, Inc.)	775-172088	\$2,843.23
First Regional Bank	Wellnet (in the name of Internet Transaction Services, Inc.)	775-172061	\$1,470.26
Irwin Union Bank	Continuity Partners, Inc.	FSB 72016991	\$3,030.50
Money Movers of America, Inc.	Star Communications (STAR)	Footnote 2	\$338,623.07
Summit State Bank	Consumer Reward Network, Inc (Return Account)	700017031	\$106.19
Summit State Bank	Consumer Reward Network, Inc. (Bancontrol Reserve Account)	700018013	\$8,877.60
Summit State Bank	Continuity Partners, Inc.	700016991	\$28.19
Summit State Bank	Premier Benefits, Inc. (Bancontrol Reserve Acct)	700017999	\$1,050.92
The Bank of Kentucky	Premier Benefits	172863	\$813.35
The Bank of Kentucky	Premier Benefits	172871	\$82.79
Washington Mutual Bank	Universal Premium Services, Inc.	185-067116-6	\$14,556.34
Washington Mutual Bank	Universal Premium Services, Inc.	196-321157-8	\$54,340.44
Washington Mutual Bank	Universal Premium Services, Inc.	363-619478-4	\$464,886.27
Wells Fargo Bank	All Start Access, Inc.	2138-924689	\$2,714.99
Wells Fargo Bank	All Start Access, Inc.	2138-924697	\$865.64
Wells Fargo Bank	Mammoth Consulting Group	5052-073912	\$149,022.05
Wells Fargo Bank	Mammoth Consulting Group	6579-119360	\$1,042,102.46
Wells Fargo Bank	Merchant Risk Management, Inc.	5814-028303	\$78.00
Wells Fargo Bank	Merchant Risk Management, Inc.	5814-028311	\$487.38
Wells Fargo Bank	Merchant Risk Management, Inc.	5814-028709	\$7,317.53
Wells Fargo Bank	Merchant Risk Management, Inc.	5814-029111	\$398.47
Wells Fargo Bank	Pantel One Corp.	5814-028683	\$1,315.69
Wells Fargo Bank	Pantel One Corp.	5814-028691	\$531.44
Wells Fargo Bank	Prime Time Ventures, Inc.	3775-996394	\$1,404.87
Wells Fargo Bank	Prime Time Ventures, Inc.	5814-029079	\$11,324.13

ROBB EVANS & ASSOCIATES, LLC
UNIVERSAL PREMIUM SERVICES, EL AL.
SUMMARY OF FROZEN ACCOUNTS
FEBRUARY 22, 2006

Financial Institution/ Entity Name	Account Name	Account Number	Balance Frozen as of 2/22/06
Wells Fargo Bank	Star Comm LLC	7242-024912	\$2,431.33
Wells Fargo Bank	Star Comm LLC	7242-024920	\$1,753.22
Total Frozen Balance - Receiver Defendants			\$2,752,431.44
Footnote 1: Disputed funds that are the subject of a lawsuit.			
Footnote 2: Reserve account. The ultimate amount available to the Receivership Estate is unknown.			

TAB 8

Robb Evans & Associates, LLC
Temporary Receiver of Universal Premium Services, et al.
Summary of Mammoth Consulting Group, LLC Accounts at Wells Fargo Bank
For the Period of September 1, 2005 through February 24, 2006

Date	Transaction Description	Credit	Debit
09/07/05	Deposit Made in a Branch/Store	\$4,000.00	
09/19/05	Deposit Made in a Branch/Store	\$1,000.00	
09/30/05	Interest Payment	\$0.60	
09/30/05	Bank Fees for September 2005		\$45.00
10/25/05	Wire Transfer from Connect 2 USA at Bank of America	\$200,000.00	
10/25/05	Wire Transfer from Connect 2 USA at Bank of America	\$200,000.00	
10/25/05	Wire Transfer from Connect 2 USA at Bank of America	\$220,000.00	
10/31/05	Wire Transfer from Premier Mortgage Funding at The Bank of Kentucky	\$95,557.00	
10/31/05	Interest Payment	\$183.80	
10/31/05	Wire Transfer Service Charges for October 2005		\$40.00
11/23/05	Wire Transfer to Timothy R. Bice Client Trust A/C at First Federal Bank		\$250,000.00
11/23/05	Wire Transfer Service Charge		\$30.00
11/30/05	Interest Payment	\$795.09	
12/07/05	Withdrawal Made in a Branch/Store		\$6,000.00
12/09/05	Withdrawal Made in a Branch/Store		\$4,000.00
12/16/05	Deposit	\$6,000.00	
12/30/05	Interest Payment	\$568.18	
12/31/05	Check Card Purchases for December 2005		\$5,874.24
01/05/06	Withdrawal Made in a Branch/Store		\$5,100.00
01/09/06	Wire Transfer from Star Communication, Joseph LaRosa	\$100,000.00	
01/10/06	Deposit	\$18,000.00	
01/10/06	Wire Transfer from Consumer Reward Network, Inc. at Bank of America	\$28,000.00	
01/11/06	Wire Transfer from Star Communication, Joseph LaRosa	\$19,000.00	
01/11/06	Wire Transfer from Continuity Partner, Joseph LaRosa	\$20,000.00	
01/11/06	Wire Transfer from Premier Benefits, Inc. at The Bank of Kentucky	\$17,000.00	
01/12/06	Deposit	\$501.48	
01/12/06	Wire Transfer from Star Communication, Joseph LaRosa	\$40,000.00	
01/13/06	Wire Transfer from Star Communication, Star Communications, LLC	\$50,000.00	
01/17/06	Wire Transfer from Pranot Sangprasit at Washington Mutual Bank	\$70,000.00	
01/17/06	Wire Transfer from Consumer Reward Network, Inc. at Bank of America	\$100,000.00	
01/23/06	Check #001		\$154.06
01/23/06	Check #002		\$90.41
01/24/06	Wire Transfer from Consumer Reward Network, Inc. at Bank of America	\$10,500.00	
01/24/06	Check #003		\$1,060.07
01/25/06	Wire Transfer from Pranot Sangprasit at Washington Mutual Bank	\$48,495.00	

Accounts were opened on September 7, 2005.

Robb Evans & Associates, LLC
Temporary Receiver of Universal Premlum Services, et al.
Summary of Mammoth Consulting Group, LLC Accounts at Wells Fargo Bank
For the Period of September 1, 2005 through February 24, 2006

Date	Transaction Description	Credit	Debit
01/27/06	Wire Transfer from Consumer Reward Network, Inc. at Bank of America	\$70,000.00	
01/27/06	Wire Transfer from Star Communication, Joseph LaRosa	\$35,000.00	
01/30/06	Check #004		\$141.50
01/31/06	Interest Payment	\$774.79	
01/31/06	Wire Transfer Service Charges for January 2006		\$40.00
01/31/06	Check Card Purchases for January 2006		\$820.88
01/31/06	Bank Fees for January 2006		\$90.00
02/01/06	Wire Transfer from Pranot Sangprasit at Washington Mutual Bank	\$35,000.00	
02/06/06	Wire Transfer from Consumer Reward Network, Inc. at Bank of America	\$49,000.00	
02/07/06	Wire Transfer from Pranot Sangprasit at Washington Mutual Bank	\$38,000.00	
02/07/06	Deposit	\$474.92	
02/07/06	Wire Transfer to Tax Accounting and Payroll Services		\$68,000.00
02/07/06	Wire Transfer Service Charge		\$30.00
02/09/06	Wire Transfer to Michel Shane at City National Bank		\$10,000.00
02/14/06	Wire Transfer from Pranot Sangprasit at Washington Mutual Bank	\$37,500.00	
02/14/06	Wire Transfer from Consumer Reward Network, Inc. at Bank of America	\$7,000.00	
02/15/06	Wire Transfer from Star Communication, Joseph LaRosa	\$20,000.00	
02/24/06	Check Card Purchases for February 2006		\$648.19
02/24/06	Wire Transfer Service Charges for February 2006		\$60.00
	TOTAL	\$1,542,348.86	\$352,224.35
	NET ENDING BANK BALANCE AS OF FEBRUARY 24, 2006	\$1,190,124.51	

EXHIBIT
PAGE 46

TAB 9

Robb Evans & Associates LLC

Temporary Receiver of Universal Premium Services, Inc. et al.

Payments to Brian MacGregor and Christine MacGregor

	Brian MacGregor	Christine MacGregor	Total
2000	\$1,017,849.00	\$ 200,000.00	\$1,217,849.00
2001	1,027,259.41	188,000.00	1,215,259.41
2002	612,544.50	663,587.10	1,276,131.60
2003	787,564.00	42,500.00	830,064.00
2004	214,286.60	-	214,286.60
2005	705,501.59	-	705,501.59
1/1/06 to 2/16/06	65,000.00	-	65,000.00
	<u>\$4,430,005.10</u>	<u>\$1,094,087.10</u>	<u>\$5,524,092.20</u>

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PROOF OF PERSONAL SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

☒ **By Personal Service.** I personally delivered the envelope or package as the named declarant to the persons at the address(es) listed below. (1) For a party represented by an attorney, delivery was made to the attorney or at the attorney's office by leaving the documents in an envelope or package, which was clearly labeled to identify the attorney being served, with a receptionist or an individual in charge of the office. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence and with some person not less than 18 years of age between the hours of eight in the morning and six in the evening.

At the time of service, I was over the age of 18 years. I am not a party to the above-referenced legal proceeding.

I served the **REPORT OF TEMPORARY RECEIVER FOR THE PERIOD FROM FEBRUARY 22, 2006 THROUGH MARCH 3, 2006**

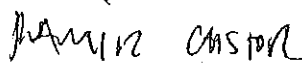
on the following party:

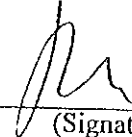
Faye C. Barnouw, Esq.
Federal Trade Commission
10877 Wilshire Boulevard, Suite 700
Los Angeles, CA 90024

☐ **(STATE)** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

☒ **(FEDERAL)** I declare under penalty of perjury that the foregoing is true and correct, and that I have been employed by an office of a member of the bar of this Court at whose direction the service was made.

Date: March 7, 2006


(Name of Declarant)


(Signature of Declarant)

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PROOF OF PERSONAL SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

☒ **By Personal Service.** I personally delivered the envelope or package as the named declarant to the persons at the address(es) listed below. (1) For a party represented by an attorney, delivery was made to the attorney or at the attorney's office by leaving the documents in an envelope or package, which was clearly labeled to identify the attorney being served, with a receptionist or an individual in charge of the office. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence and with some person not less than 18 years of age between the hours of eight in the morning and six in the evening.

At the time of service, I was over the age of 18 years. I am not a party to the above-referenced legal proceeding.

I served the **REPORT OF TEMPORARY RECEIVER FOR THE PERIOD FROM FEBRUARY 22, 2006 THROUGH MARCH 3, 2006**

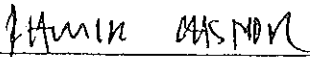
on the following party:

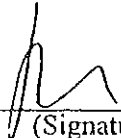
Jonathan Eisenberg, Esq.
Manatt Phelps & Phillips
11355 West Olympic Boulevard
Los Angeles, CA 90064

☐ (STATE) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

☒ (FEDERAL) I declare under penalty of perjury that the foregoing is true and correct, and that I have been employed by an office of a member of the bar of this Court at whose direction the service was made.

Date: March 7, 2006


(Name of Declarant)


(Signature of Declarant)

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PROOF OF PERSONAL SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

☒ By Personal Service. I personally delivered the envelope or package as the named declarant to the persons at the address(es) listed below. (1) For a party represented by an attorney, delivery was made to the attorney or at the attorney's office by leaving the documents in an envelope or package, which was clearly labeled to identify the attorney being served, with a receptionist or an individual in charge of the office. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence and with some person not less than 18 years of age between the hours of eight in the morning and six in the evening.

At the time of service, I was over the age of 18 years. I am not a party to the above-referenced legal proceeding.

I served the **REPORT OF TEMPORARY RECEIVER FOR THE PERIOD FROM FEBRUARY 22, 2006 THROUGH MARCH 3, 2006**

on the following parties:

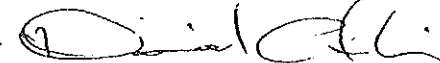
John Genga
Don C. Moody
Genga & Associates, P.C.
15260 Ventura Boulevard, 20th Floor
Sherman Oaks, CA 91403

☐ (STATE) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

☒ (FEDERAL) I declare under penalty of perjury that the foregoing is true and correct, and that I have been employed by an office of a member of the bar of this Court at whose direction the service was made.

Date: March 7, 2006

David Antolin
(Name of Declarant)


(Signature of Declarant)

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PROOF OF PERSONAL SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

☒ **By Personal Service.** I personally delivered the envelope or package as the named declarant to the persons at the address(es) listed below. (1) For a party represented by an attorney, delivery was made to the attorney or at the attorney's office by leaving the documents in an envelope or package, which was clearly labeled to identify the attorney being served, with a receptionist or an individual in charge of the office. (2) For a party, delivery was made to the party or by leaving the documents at the party's residence and with some person not less than 18 years of age between the hours of eight in the morning and six in the evening.

At the time of service, I was over the age of 18 years. I am not a party to the above-referenced legal proceeding.

I served the **REPORT OF TEMPORARY RECEIVER FOR THE PERIOD FROM FEBRUARY 22, 2006 THROUGH MARCH 3, 2006**

on the following parties:

Jeffrey K. Riffer
Jeffer Mangels et al. LLP
1900 Avenue of the Stars, 7th Floor
Los Angeles, CA 90067-4301

☐ **(STATE)** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

☒ **(FEDERAL)** I declare under penalty of perjury that the foregoing is true and correct, and that I have been employed by an office of a member of the bar of this Court at whose direction the service was made.

Date: March 7, 2006

AMIR CASTON
(Name of Declarant)

[Signature]
(Signature of Declarant)

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PROOF OF SERVICE BY FEDERAL EXPRESS

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the aforesaid county, State of California; I am over the age of 18 years and not a party to the within action; my business address is 444 South Flower Street, Los Angeles, California 90071.

On March 7, 2006, I served the REPORT OF TEMPORARY RECEIVER FOR THE PERIOD FROM FEBRUARY 22, 2006 THROUGH MARCH 3, 2006 on the interested parties in this action by placing the true copy/original thereof, enclosed in a sealed envelope, all charges paid, addressed as follows:

Christopher A. Cole, Esq.
Manatt Phelps & Phillips, LLP
700 12th Street, N.W., Suite 1100
Washington, D.C. 20005

I am readily familiar with the business practice of my place of employment in respect to the collection and processing of correspondence, pleadings and notices for pick up and delivery by Federal Express.

The foregoing sealed envelope was placed for pick up and delivery this date consistent with the ordinary business practice of my place of employment, so that it will be picked up this date with all charges thereon fully paid with Federal Express at Los Angeles, California, in the ordinary course of such business.

☐ (STATE)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

☒ (FEDERAL)

I declare under penalty of perjury that the foregoing is true and correct, and that I am employed at the office of a member of the bar of this Court at whose direction the service was made.

Executed on March 7, 2006, at Los Angeles, California.


Signature

Pamela A. Coates
Print Name

EXHIBIT I

Commerce Bank, NA
3-180/360

No. 501586

PharmAssist
45 E City Line Avenue PMB 463
Bala Cynwyd, PA 19004

Date: September 15, 2005

Pay to the
Order of:

\$ 15.00
VOID AFTER 60 DAYS

Fifteen Dollars and 00 cents

Dollars

MEMO

Cashing or Depositing this check activates
your membership in Family Health Solutions.

⑈ 501586 ⑈

⑆036001808⑆ 36 652225 8⑈

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Save 10% to 60% on Your Medications!

Save at Pharmacies
such as:

ACME

COSTCO

CVS/pharmacy

WICKED

Kroger

mark

**Medicine
Shopper**

Pathmark

**P
Publix
SUPERMARKETS**

**RITE
AID**

**S
SAFEWAY**

TARGET

Plus 48,000 Others
Including Independent
Pharmacies Nationwide

Save money on Dental Work, Doctor Visits, Extended Care, Chiropractic,
Podiatry, Vision & Hearing Care... The list goes on and on!

Dear :

Are the high costs of Prescription drugs getting to you? Are you tired of all the politicians talking about Prescription Drug savings but doing nothing? Are you tired of having to dig down deep into your wallet to pay for your families' prescription medicines?

Roy, we would like to let you in on a little secret that will allow you to save up to 60 percent on all your prescription drug needs. **That's right, up to 60 percent!**

Pharm Assist has the answer and would like you to cash the above check and activate the membership that has been reserved in your name. You've read the newspaper articles and seen the news stories on local and national television. Now it's time for you to start taking advantage of the low, low prices Pharm Assist has negotiated with National Pharmacy chains, your local pharmacy, and mail order pharmacies as well.

You'll receive the medications that your Doctor prescribes at your local Pharmacy and Pharm Assist's mail order division will provide you with even BIGGER discounts. Isn't it time you started saving money and stopped listening to the empty promises of politicians? Just present your FHS card at your Pharmacy when you drop off your prescriptions. It's that easy!... Not convinced?

As an extra incentive, we'll provide you with a \$500.00 Emergency Cash Certificate* that you never need to pay back! See the back of this form for details.

IMPORTANT: BY CASHING OR DEPOSITING THIS CHECK I AGREE THAT I UNDERSTAND THAT MY CHECKING ACCOUNT WILL BE DEBITED A ONE TIME SET UP FEE OF \$79.95 WHICH WILL INCLUDE THE FIRST MONTHS SERVICE. I ALSO UNDERSTAND THAT MY CHECKING ACCOUNT WILL BE DEBITED \$19.95 PER MONTH COMMENCING APPROXIMATELY 30 DAYS AFTER FULFILLMENT AND EVERY 30 DAYS THEREAFTER ON AN ONGOING BASIS FOR MY MONTHLY MEMBERSHIP FEES. I UNDERSTAND THAT I MAY CANCEL THE FAMILY HEALTH SOLUTIONS MEMBERSHIP AT ANY TIME AND BE ENTITLED TO A REFUND OF THE CURRENT MONTH'S MEMBERSHIP FEE BY CALLING CUSTOMER SERVICE AT 1-800-755-0078. BY DEPOSITING OR CASHING THIS CHECK I AUTHORIZE THESE FEES TO BE DEBITED FROM MY CHECKING ACCOUNT AS OUTLINED ABOVE.

Sincerely yours,

Carol Soble

Carol Soble
Director Membership Services

P.S. A limited number of participants have been chosen to receive this offer and you're one of the lucky ones. Cash or deposit your check... NOW!

Commerce Bank, NA
3-180/360

No 420783

Medications 4 Less
45 E City Line Avenue PMB 463
Bala Cynwyd, PA 19004

Date: August 31, 2004

Pay to the
Order of: Anthony Elluzzi

\$ 10.00

VOID IF AMOUNT OVER 10.00

Ten Dollars and 00cents *****Dollars

Somers NY 10589
llllllllllllllllllll

Carol Soble

Cashing or Depositing this check activates
your membership in Medications For Less

MEMO

⑈ 4 20783 ⑈

⑆03600⑈1808⑆ 36 652234 0 ⑈

⑈000000⑈1000⑈

Save up to 90% on your medications!

Dear

Are the high costs of Prescription drugs getting to you? Are you tired of all the politicians talking about Prescription Drug savings but doing nothing? Are you tired of having to dig down deep into your wallet to pay for your families' prescription medicines?

Anthony, we would like to let you in on a little secret that will allow you to save up to 90 percent on all your prescription drug needs. That's right up to 90 percent.

MEDICATIONS-4-LESS has the answer and would like you to cash the above check and activate the membership that has been reserved in your name. You've read the newspaper articles and seen the news stories on local and national television. Now it's time for you to start taking advantage of the low, low prices that the Government of Canada has negotiated with the Big Pharmaceutical Companies.

You'll receive the highest quality medications available, the same medications that your Doctor prescribes and that you receive from your local pharmacy! MEDICATIONS-4-LESS may be able to provide you with the same medication manufactured by the same company at a savings of up to 90 percent. Isn't it time you started saving money and stopped listening to the empty promises of politicians?

**How much money can you and your Family save?
Call 866-208-2356 and find out!**

IMPORTANT: By depositing or cashing the attached check you are agreeing to become a member of MEDICATIONS-4-LESS and authorizing us to debit your checking account \$149.95. For your convenience, we will renew your membership automatically each year upon expiration at the same low rate, guaranteed.

Sincerely yours

Carol Soble
Carol Soble

Director Membership Services

P.S. A limited number of participants have been selected to receive this offer and you're one of the lucky ones.

X
Signature

THIS CHECK MUST BE ENDORSED AND CASHED OR DEPOSITED TO
ACTIVATE NAME OF MEDICATIONS. I UNDERSTAND THAT CHECKING
ACCOUNT WILL BE DEBITED FOR MY ANNUAL MEMBERSHIP FEE AND THAT
EACH YEAR MY MEMBERSHIP WILL BE RENEWED AUTOMATICALLY UPON
EXPIRATION AT THE SAME LOW ANNUAL RATE, GUARANTEED. BY
DEPOSITING OR CASHING THIS CHECK I AUTHORIZE THE SUM OF \$149.95
TO BE DEBITED FROM MY CHECKING ACCOUNT.

Look at the Savings!

*These are just a few examples of the savings available.

Drug	Strength	Qty	Retail USA	Medications 4 Less	Your Savings	Percentage of Savings
Allopurinol	100 mg	100	\$164.90	\$2.00	\$162.90	98.79%
Celebrex	100 mg	100	\$168.74	\$64.00	\$104.74	62.07%
Fosamax	70 mg	4	\$73.15	\$36.75	\$36.75	50.24%
Glucophage	500 mg	100	\$50.00	\$27.00	\$23.00	54.00%
Lipitor	20 mg	90	\$338.90	\$185.40	\$153.50	45.29%
Prozac	10 mg	100	\$401.49	\$161.00	\$240.49	59.90%
Tamoxifen	20 mg	90	\$335.70	\$32.40	\$303.30	90.35%
Vioxx	25 mg	100	\$269.96	\$129.00	\$140.96	52.22%
Wellbutrin	100 mg	60	\$125.00	\$33.00	\$92.00	73.60%
Zyrtec	10 mg	90	\$174.60	\$45.90	\$128.70	73.71%

Actual prices may vary due to currency fluctuations

How much money can you and your Family save?

Call 866-208-2356

No:357184

1st Liberty - Family Health Solutions
Health Services and Entitlements
45 E City Line Avenue PMB 463
Bala Cynwyd, PA 19004

Date: August 3, 2004

Pay to the
Order of:

\$ 10.00

VOID IF AMOUNT OVER \$10.00

Ten Dollars and 00cents ***** Dollars

4203 East Avenue S4
Palmdale CA 93552-5141

Cam Soble

Cashing or Depositing this check activates
your membership in Family Health Solutions

MEMO:

11# 357184 11# 10360018081 36652234.0 11# 1000000010001

**Cash this Check and Start
Saving Up to 60% on Your Health Needs**
You and your family can save thousands of dollars per year.

It is my pleasure to send you this check and offer you and your family \$500.00 in Emergency Cash and Discount Health Assistance Savings. This is an exclusive offer for individuals interested in becoming Members of 1st Liberty's Family Health Solutions and taking advantage of huge savings on your health expenses and receiving up to **\$500.00 in Emergency Cash**. With Family Health Solution's Health Discount Card, you and your entire family will be covered and will enjoy **BIG SAVINGS** on Prescription Drugs, Dental and Vision Coverage immediately!

How do you get your Family Health Solutions Health Discount Card? That's even easier! Just deposit or cash the attached check and your membership will be automatically activated. That's it. The check is our gift to you. The fantastic services and benefits are listed on the back of this letter.

Don't wait! If you don't deposit or cash this check you will not receive the benefits of membership. For just pennies per day you and your entire family will receive discounts of up to 60% on dental, vision and Prescription drugs! You will also be reimbursed for up to \$500.00 in Emergency Cash.

This is NOT insurance so you don't have to worry about deductibles, pre-existing conditions or claim forms. Any condition you or a family member may have before you become a member of Family Health Solutions will be covered. All you have to do is present your official Family Health Solutions Health Discount Card at any of the thousands of the participating Dentists, Optical Centers or Pharmacies nationwide and you will Save up to 60%! These discounts can translate to THOUSANDS of dollars saved over the course of the year.

IMPORTANT: BY CASHING OR DEPOSITING THIS CHECK, YOU ACKNOWLEDGE THAT YOU UNDERSTAND THAT YOUR CHECKING ACCOUNT WILL BE DEBITED FOR THE ANNUAL MEMBERSHIP FEE AND THAT EACH YEAR YOUR MEMBERSHIP WILL BE RENEWED AUTOMATICALLY UPON EXPIRATION AT THE SAME LOW ANNUAL RATE, GUARANTEED. BY DEPOSITING OR CASHING THIS CHECK YOU AUTHORIZE THE SUM OF \$149.95 TO BE DEBITED FROM YOUR CHECKING ACCOUNT FOR ONE FULL YEAR OF MEMBERSHIP.

ACT TODAY! The sooner you deposit or cash your check ... the sooner you can enjoy discounts on your entire Dental, vision and prescription drug expenditures and receive your \$500.00 Emergency Cash voucher.

Carol Soble
Carol Soble
Director Membership Services

X

SIGNATURE REQUIRED

ACCOUNT NUMBER

THIS CHECK MUST BE ENDORSED AND CASHED OR DEPOSITED TO
 ACTIVATE FIRST LIBERTY MEDIFLEX PHARMACY. I UNDERSTAND THAT MY
 CHECKING ACCOUNT WILL BE DEBITED FOR MY ANNUAL MEMBERSHIP FEE
 AND THAT EACH YEAR MY MEMBERSHIP WILL BE RENEWED
 AUTOMATICALLY UPON EXPIRATION AT THE SAME LOW ANNUAL RATE.
 GUARANTEED BY DEPOSITING OR CASHING THIS CHECK I AUTHORIZE THE
 SUM OF \$149.95 TO BE DEBITED FROM MY CHECKING ACCOUNT.

Terms & Conditions

By signing, depositing or cashing the attached check you acknowledge reading, understanding and accepting this as authorization for membership in First Liberty-Mediflex. You and your immediate family members (residing in your household) will be eligible to receive First Liberty's Discounts Dental, Prescription, Canadian Pharmacy and Vision Plan. Your membership card entitles you and your family to substantial discounts (up to 40%) on quality dental care through our network of more than 16,000 dental providers nationwide. Services cover exams, cleaning, x-rays, crowns, fillings, root canals, dentures, bridges, tooth removal and other common treatments including Orthodontist, oral surgery, etc. Save up to 40% on dental procedures. NO DEDUCTIBLE, NO MAXIMUMS- PRE-EXISTING CONDITIONS ARE COVERED dental offices conveniently located throughout the U.S. BONUS #2: FREE RETAIL AND MAIL ORDER DISCOUNT PRESCRIPTION PLAN. By using your membership card at participating pharmacies, you and your family will receive: Preferred pricing when available and savings on generic drugs. Using the preferred pharmacy network, you will receive prices that have been negotiated at CVS, K-Mart, Rite-Aid Pharmacy, Shoprite Pharmacy, Target Pharmacy, Pathmark, Walmart, Winn-Dixie, Walgreens and many more nationwide that participate in the program. An important part of the Discount Prescription Drug Program is the Canadian Pharmacy Service option. You can use this mail order service anytime, but it is most convenient when ordering medication you take on a regular basis. The Canadian mail order service can save you up to 90% over comparable drugs purchased at a retail pharmacy. The Canadian mail order form will provide the address to which you will send your order form and your prescription. You can order up to a 90-day supply of the medication you need. DISCOUNT VISION PLAN. With your membership card you and your family can save 10% to 60% on all eye care purchases and up to 60% off the cost of eyewear at over 8,000 eye care professionals nationwide. Savings apply to frames, glass and plastic lenses, tints, coatings, non-prescription sunglasses, new contact lenses and solutions. Most locations will also discount your eye exam. Some optical outlets that participate in the vision network are: Sears Optical, JC Penney Optical, Fisher Optical, One Hour Optical, Pearl Vision, 20/20 Vision Center, etc. By accepting our check you are authorizing First Liberty to debit your checking or statement savings account \$149.95 for one full year of service.

Terms & Conditions of \$500 Emergency Cash Entitlement

The \$500.00 Emergency Cash Entitlement maybe used for the following emergencies under the following conditions: Hospital emergency, member may use up to \$50.00 for one incident per twelve month period, per family for hospital admissions or emergency care. Medications do not qualify. Dental, member may use up to \$50.00 for one tooth extraction per twelve month period, per family. Medical, member may use up to \$50.00 for one incident per twelve month period, per family as a result of any auto related or employment related accident. Medications do not qualify. Chiropractic, member may use up to \$25.00 for one incident per twelve month period, per family as a result of any auto related or employment related accident. Medications do not qualify. Veterinarian Emergency, member may use up to \$25.00 for one incident per twelve month period, per family for any accident involving a cat, dog or bird. Medications do not qualify. Ambulance, member may use up to \$100.00 for one incident per twelve month period, per family. Medications do not qualify. Roadside Towing Emergency, member may use up to \$50.00 for one incident per twelve month period, per family towards automobile towing. Plumbing Emergency, member may use up to \$25.00 for one incident per twelve month period. Emergency must occur and claims dated after the date of enrollment. Appropriate bills must be presented to receive reimbursement.